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M I N U T E S

FINANCE COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

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JUL 10 1998

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REGULAR MEETING

WEDNESDAY, JULY 8, 1998 - 1:00 P.M.

VETERANS BUILDING
401 VAN NESS AVENUE
ROOM 410

MEMBERS: SUPERVISORS MABEL TENG, BARBARA KAUFMAN, GAVIN NEWSOM

ABSENT: Supervisor Teng for action on Items 1 - 10.

CLERK: Joni Blanchard

Meeting Commenced: 1:05 p.m.

CONSENT CALENDAR

1. All items listed hereunder constitute a Consent Calendar, are considered to be routine by the Committee and will be acted upon by a single, roll-call vote of the Committee. There will be no separate discussion of these items unless a member of the Committee or the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.
- a. File 98-0792. [Prop J Contract, Shuttle Bus Services] Resolution approving the Controller's certification that shuttle bus services for San Francisco International Airport can practically be performed by private contractor at a lower cost for the first half of the fiscal year commencing July 1, 1998 than if work were performed by City and County employees. (Airport)

SPEAKERS: None.

ACTION: Severed from consent calendar. Amended on lines 5 and 18 after "for" and before "the" to delete "the first half of"; amended on line 6 after "1998" and before "than" to insert ", retroactively,"; amended on line 18 after "1998" to insert ", retroactively,"; amended on line 24 between "hereby" and "approves" to insert "retroactively". Recommended as amended.

- b. File 98-0797. [Prop J Contract, Jail Food Services] Resolution approving the Controller's certification that the County Jail food service management operations for the City and County of San Francisco can practically be performed by private contractor at a lower cost for the year commencing July 1, 1998, than if work were performed by City and County employees. (Sheriff)

SPEAKERS: None.

ACTION: Severed from consent calendar. Amended on line 4 after "1998," and before "than" to insert "retroactively, "; amended on line 12 after "1998," and before "can" to insert "retroactively, "; amended on line 16 between "hereby" and "approves" to insert "retroactively". Recommended as amended.

- c. File 98-0798. [Prop J Contract, Own Recognizance Program] Resolution approving the Controller's certification that the San Francisco "O.R." Project for the City and County of San Francisco can practically be performed by private contractor at a lower cost for the year commencing July 1, 1998, than if work were performed by City and County employees. (Sheriff)

SPEAKERS: None.

ACTION: Severed from consent calendar. Amended on line 4 after "1998," and before "than" to insert "retroactively, "; amended on line 12 after "1998," and before "can" to insert "retroactively, "; amended on line 16 between "hereby" and "approves" to insert "retroactively". Recommended as amended.

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- d. File 98-0799. [Prop J Contract, Pretrial Diversion Program] Resolution approving the Controller's certification that the Pretrial Diversion Program for the City and County of San Francisco can practically be performed by private contractor at a lower cost for the year commencing July 1, 1998, than if work were performed by City and County employees. (Sheriff)

SPEAKERS: None.

ACTION: Severed from consent calendar. Amended on line 4 after "1998," and before "than" to insert "retroactively, "; amended on line 12 after "1998" and before "can" to insert ", retroactively, "; amended on line 16 between "hereby" and "approves" to insert "retroactively". Recommended as amended.

- e. File 98-0848. [Prop J Contract, Parking Management Services] Resolution approving the Controller's certification that parking management services for San Francisco International Airport can practically be performed by private contractor at lower cost for the year commencing July 1, 1998 than if work were performed by City employees at budgeted levels. (Airport Commission)

SPEAKERS: None.

ACTION: Severed from consent calendar. Amended on line 7 after "1998" and before "than" to insert ", retroactively,"; amended on line 17 after "1998" and before "can" to insert ", retroactively,"; amended on line 23 between "hereby" and "approves" to insert "retroactively". Recommended as amended.

- f. File 98-0945. [Prop J Contract, Convention Facilities Management] Resolution concurring with Controller's certification that convention facilities management, operation and maintenance services can be practically performed at Bill Graham Civic Auditorium and Moscone Center by private contractor for lower cost than similar work services performed by City and County employees. (City Administrator)

SPEAKERS: None.

ACTION: Severed from consent calendar. Amended on line 5 after "employees" to add "; retroactive to July 1, 1998."; amended on line 16 after "1998-99" and before "; and" to insert ", retroactive to July 1, 1998"; amended on line 23 between "and" and "approves" to insert "retroactively". Recommended as amended.

- g. File 98-0922. [Emergency Repair, Hattie Street Sewer] Resolution approving expenditure of funds for the emergency work to replace the structurally inadequate sewer on Hattie Street from Market Street to Corbett Street - \$93,870. (Public Utilities Commission)

SPEAKERS: None.

ACTION: Recommended.

- h. File 98-0923. [Emergency Repair, Douglass Street Sewer] Resolution approving the expenditure of funds for the emergency work to replace the structurally inadequate sewer on Douglass Street from 24th Street to 25th Street - \$164,164. (Public Utilities Commission)

SPEAKERS: None.

ACTION: Recommended.

REGULAR CALENDAR

2. File 98-0934. [IHSS Contract with Addus Healthcare] Resolution approving the contract between the City and County of San Francisco and Addus Healthcare for the provision of In-Home Supportive Services for the period from July 1, 1998 to June 30, 2001, with a possible renewal for one year, in the amount of \$15,313,457. (Department of Human Services)

SPEAKER: Wil Lightborne, Dept. of Human Resources - requested continuance.

ACTION: Hearing held. Consideration continued to 7/15/98.

3. File 98-0935. [IHSS Contract with IHSS Consortium of S.F.] Resolution approving the contract between the City and County of San Francisco and the IHSS Consortium of San Francisco for the provision of In-Home Supportive Services for the period from July 1, 1998 to June 30, 2001, with a possible renewal for one year, in the amount of \$15,457,500. (Department of Human Services)

SPEAKER: Wil Lightborne, Dept. of Human Resources - requested continuance.

ACTION: Hearing held. Consideration continued to 7/15/98.

4. File 98-1089. [Bond Special Election, Academy of Sciences] Ordinance calling and providing for a special election to be held in the City and County of San Francisco on Tuesday, November 3, 1998, for the purpose of submitting to the voters of the City and County a proposition to incur bonded indebtedness of the City and County in the principal amount of \$79,880,000 for the rehabilitation, renovation, improvement, construction and/or reconstruction of the California Academy of Sciences including funding for improvements to Golden Gate Park in the areas appurtenant to, or which provide access to, the California Academy of Sciences; approving necessary procedures to hold such election; consolidating the special election with the consolidated municipal general election for November 3 1998; and waiving the word limitation on ballot propositions imposed by Elections Code Section 510. (Supervisor Yaki)

SPEAKER: Pat Kociolek, Exec. Dir., CA Academy of Sciences - requested continuance.

ACTION: Hearing held. Consideration continued to the Call of the Chair.

5. File 98-0929. [Settlement of Grievance, Local 6] Ordinance authorizing settlement of acting assignment of pay grievance of Ron Perez filed pursuant to the Memoranda of Understanding between the International Brotherhood of Electrical Workers, Local 6, in the amount of Thirteen Thousand Three Hundred Fifty One Dollars and Forty Cents (\$13,351.40). (Department of Human Resources)

SPEAKERS: Harvey Rose, Budget Analyst; Alice Vilagomez, ERD, Dept. of Human Resources - support; Cindy Monroe, Human Resources Mgr., Recreation and Park Dept - support.

ACTION: Hearing held. Recommended.

6. File 98-0890. [Contractor Permit Fees] Ordinance amending Traffic Code by amending Section 202.C, providing for contractor permit fees. (Department of Parking and Traffic)

SPEAKERS: Harvey Rose, Budget Analyst; Stuart Sunshine, Director, Dept. of Parking & Traffic - support; Martha Gamble, Dept. of Parking & Traffic - support.

ACTION: Hearing held. Recommended.

7. File 98-0891. [Permit Fees] Ordinance amending Traffic Code by amending Section 314, providing for residential permit fees. (Department of Parking and Traffic)

SPEAKERS: Harvey Rose, Budget Analyst; Stuart Sunshine, Director, Dept. of Parking & Traffic - support; Martha Gamble, Dept. of Parking & Traffic - support.

ACTION: Hearing held. Recommended.

8. File 98-0979. [Lease of Property at 626 Potrero Street] Resolution authorizing a lease of real property at 626 Potrero Street, San Francisco for the Police Department's Narcotics and Vice Divisions. (Real Estate Department)

SPEAKERS: Harvey Rose, Budget Analyst; Tony DeLucchi, Director, Department of Real Estate - support.

ACTION: Hearing held. Recommended.

9. File 98-0986. [Lease of Property at 650 Fifth Street] Resolution authorizing a lease of real property at 650 Fifth Street, San Francisco, for the Department of Public Health. (Real Estate Department)

SPEAKER: Harvey Rose, Budget Analyst.

ACTION: Hearing held. Recommended.

10. File 98-0995. [Hotel Tax Protocol Allocation] Ordinance amending Municipal Code, Part III, by amending Section 515.1 to delete the allocation for the Office of Protocol. (Supervisor Kaufman)

SPEAKER: Harvey Rose, Budget Analyst.

ACTION: Hearing held. Amendment of the Whole (as introduced by Supervisor Kaufman and further amended) adopted. Recommended as amended.

LITIGATION

The Finance Committee of the Board of Supervisors decided, by motion, to meet in closed session under the provisions of Government Code Section 54956.9(a) to discuss proposed settlement of the litigation listed below, this litigation involving the City and County of San Francisco. This motion was made on the basis that discussion in open session of this proposed settlement would prejudice the position of the City in this litigation.

11. File 98-0943. [Appropriation/Settlement of Lawsuit, PUC] Ordinance appropriating \$2,300,000, Public Utilities Commission - Water Department, from Water Department fund balance to claims and judgments for fiscal year 1997-98 and authorizing settlement of litigation of Hefter v. County of San Mateo, et al. by payment of \$2,300,000. RO #97260. (Alameda Superior Court No. 786568). (Controller)

SPEAKERS: Ted Lakey, Deputy City Attorney; Joshua Milstein, Deputy City Attorney.

ACTION: Recommended.

12. File 98-0978. [Appropriation/Settlement of Lawsuit, PUC] Ordinance appropriating \$4,907,500, Public Utilities Commission-Cleanwater, from Clean Water program fund balance to claims and judgments, for fiscal year 1997-98, and authorizing settlement of litigation of Howard and Iran Billman and State Farm General Insurance Company for a total settlement of \$4,907,500. RO #97261. (Superior Court No. 980-740) (Controller)

SPEAKERS: Ted Lakey, Deputy City Attorney; Cheryl Weisbard Founq, Deputy City Attorney.

ACTION: Recommended.

The Finance Committee of the Board of Supervisors found that it was in the best interests of the City not to disclose any information revealed in its closed session deliberations of the above items and moved not to disclose any information at this time.

VOTE ON ITEMS 1 - 10 WAS 2 - 0 (WITH SUPERVISOR TENG ABSENT FOR ACTION ON THOSE ITEMS). VOTE ON ITEMS 11 AND 12 WAS 3 - 0 (WITH ALL COMMITTEE MEMBERS PRESENT).

Meeting Adjourned: 2:07 p.m.

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CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

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FAX (415) 252-0461

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July 2, 1998

TO: Finance Committee

FROM: Budget Analyst Recommendations for meeting of

SUBJECT: July 8, 1998 Finance Committee Meeting

Item 1a - File 98-792

Department: Airport Commission

Item: Resolution approving the Controller's certification that shuttle bus services for San Francisco International Airport can continue to be practically performed by private contractor at a lower cost for the Fiscal Year commencing July 1, 1998 than if work were performed by City and County employees.

Services to be Performed: Shuttle Bus Services at San Francisco International Airport.

Description: In November, 1997 through a Request for Proposals (RFP) process, the Airport Commission awarded a ten year contract to SFO Shuttle Bus Company for the operation of Shuttle Bus Services at the Airport. A resolution approving Proposition J certification for this contract for the period from January 1, 1998 through June 30, 1998 was approved by the Board of Supervisors in November, 1997.

Memo to Finance Committee
July 8, 1998 Finance Committee Meeting

The proposed resolution would approve Proposition J certification for SFO Shuttle Bus Company to continue performing shuttle bus services at the San Francisco International Airport for the period from July 1, 1998 through June 30, 1999. Shuttle bus services consist of providing free ground transportation between the Airport parking lots and the Airport terminals and transportation between the Airport terminals for airline passengers and employees.

Charter Section 10.104.15 provides that the City may contract with private firms for work or services which had been performed by City employees if the Controller certifies, and the Board of Supervisors concurs, that such work or services can in fact be performed by private firms at a lower cost than similar work or services performed by City employees.

The Controller has determined that Shuttle Bus Services at San Francisco International Airport for FY 1998-99, would result in estimated savings as follows:

	Lowest Salary Step	Highest Salary Step
<u>City-Operated Service Costs</u>		
Personnel Costs:		
Salaries, Holiday, Premium And Travel Pay	\$3,217,676	\$3,339,268
Fringe Benefits	1,146,297	1,157,897
Operating Expenses	<u>1,513,419</u>	<u>1,513,419</u>
Total	\$5,877,392	\$6,010,584
<u>Contractual Services Costs</u>	<u>4,823,376</u>	<u>4,823,376</u>
Estimated Savings	\$1,054,016	\$1,187,208

Comments:

1. The Controller's Office advises that the title and the body of the resolution should be amended to state "for the Fiscal Year commencing July 1, 1998" instead of "for the first half of the Fiscal Year commencing July 1, 1998."

BOARD OF SUPERVISORS
BUDGET ANALYST

2. The proposed resolution should be amended to retroactively approve the Controller's certification as of July 1, 1998.

3. The Contractual Services Costs used for the purpose of this analysis are composed of (1) the current contractor's estimate of the costs to provide shuttle bus services for FY 1998-99, (2) costs for additional shuttle bus services, due to Master Plan construction, that were approved by the Airport Director subsequent to the issuance of the RFP, and (3) additional costs that are passed through to the Airport by the contractor, such as fuel and utility costs, resulting from the additional services approved by the Airport Director.

4. Shuttle Bus Services at San Francisco International Airport were first certified, as required in Charter Section 10.104.15, in 1980 and have been performed by a private contractor on an ongoing basis since 1971.

5. The Controller's supplemental questionnaire with the Airport's responses is attached.

Recommendations:

1. Amend the proposed resolution to state, "for the Fiscal Year commencing July 1, 1998" instead of "for the first half of the Fiscal Year commencing July 1, 1998", in accordance with Comment No. 1.

2. Amend the proposed resolution to provide for retroactivity.

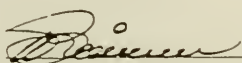
3. Approve the proposed resolution as amended.

CHARTER 10.104.15 (PROPOSITION J) QUESTIONNAIRE

Department: Airport Commission
 Contract Services: Airport Shuttle Bus Services
 Contract Period: July 1, 1998 to June 30, 1999

1. Who performed the activity/service prior to contracting out?
 With construction of the Remote Public Parking Facility in 1975, shuttle bus service was initiated by contract. Prior to 1975, the area was utilized as a small lot for SFIA employee parking. An employee van service was provided by Airport Parking Management (APM).
2. How many City employees were laid off as a result of contracting out?
 None (See #1)
3. Explain the disposition of employees if they were not laid off.
 N/A (See #1)
4. What percentage of City employees' time is spent on services to be contracted out?
 N/A (See #1)
5. How long have the services been contracted out? Is this likely to be a one-time or an ongoing request for contracting out?
 Since 1975. The current contract commenced on January 1, 1998 for a 10-year period with up to 5 additional one-year options.
6. What was the first fiscal year for a Proposition J certification? Has it been certified for each subsequent year?
 1974-1975. Yes, it has been certified each year since.
7. How will the services meet the goals of your MBE/WBE Action Plan?
 Although this contract was not awarded to a MBE/WBE firm in 1983, it must adhere to the City's non-discrimination ordinance contained in Chapters 12B & 12C of the City's Administrative Code. This contract contains MBE/WBE goals which the Contractor must meet.
8. Does the proposed contract require that the contractor provide health insurance for its employees? Even if not required, are health benefits provided?
 The contract does not require health insurance. However, the contractor provides health insurance for its employees per a labor agreement.
9. Does the proposed contractor provide benefits to employees with spouses? If so, are the same benefits provided to employees with domestic partners? If not, how does the proposed contractor comply with the Domestic Partners ordinance?
 The contractor provides benefits to spouses and domestic partners.

Department Representative: _____


 Duke Briscoe, Deputy Airport Director - Operations

Telephone Number: (415) 794-5010

HADWONG\WPDOCS\03163A9.DW1
 Revised: 16-Mar-98

Item 1b – File 98-797

Department: Sheriff

Item: Resolution approving the Controller's certification that County Jail Food Service Management operations for the City and County of San Francisco can continue to be practically performed by a private contractor at a lower cost for the year commencing July 1, 1998, than if work were performed by City and County employees.

Services to be Performed: County Jail Food Service Management

Description: Charter Section 10.104 provides that the City may contract with private firms for services which had been performed by City employees if the Controller certifies, and the Board of Supervisors concurs, that such services can in fact be performed by private firms at a lower cost than similar work services performed by City employees.

In December, 1994 through a Request for Proposals (RFP) process, the Sheriff's Department awarded a five year contract to Aramark Correctional Services for the provision of Jail Food Service Management Services. A resolution approving Proposition J certification for this contract for the period from July 1, 1997 through June 30, 1998 was approved by the Board of Supervisors in May, 1997.

The proposed resolution would approve Proposition J certification for Aramark Correctional Services to continue providing Jail Food Service Management Services for the period from July 1, 1998 through June 30, 1999. Jail Food Service Management Services consist of the administrative oversight and provision of meals at the six County jails.

The Controller has determined that contracting County Jail Food Service Management for FY 1998-99 would result in estimated savings as follows:

Memo to Finance Committee
July 8, 1998 Finance Committee Meeting

<u>City-Operated Service Costs</u>	<u>Lowest Salary Step</u>	<u>Highest Salary Step</u>
Salaries	\$815,303	\$965,100
Fringe Benefits	<u>224.696</u>	<u>248.087</u>
Total	\$1,039,999	\$1,213,187
<u>Contractual Services Cost</u>	<u>801.600</u>	<u>801.600</u>
<u>Estimated Savings</u>	<u>\$238.399</u>	<u>\$411.587</u>

Comments:

1. Jail Food Service Management services were first certified, as required under Proposition J (Charter Section 10.104), in 1980 and have been continuously provided by an outside contractor since then.
2. The proposed resolution should be amended to retroactively approve the Controller's certification as of July 1, 1998.
3. The Contractual Services Cost used for the purpose of this analysis is based on Aramark Correctional Services' projected FY 1998-99 costs for County Jail Food Services Management.
4. The Controller's supplemental questionnaire with the Department's responses is shown in the Attachment to this report.

Recommendation:

Amend the proposed resolution for retroactivity and approve the proposed resolution as amended.

BOARD OF SUPERVISORS
BUDGET ANALYST

CHARTER 10.104.15 (PROPOSITION J) QUESTIONNAIRE

DEPARTMENT: SHERIFF

CONTRACT SERVICES: Food Service-Aramark

CONTRACT PERIOD: July 1, 1998 - June 30, 1999

- (1) Who performed the activity/service prior to contracting out?
Food service was performed by City employee's prior to 1980 including a Food Service Administrator, Chefs and Cooks.
- (2) How many City employees were laid off as a result of contracting out?
5 Chefs and 1 Cook were deleted from the FY 94-95 budget by the Mayor's office.
- (3) Explain the disposition of employees if they were not laid off.
All 6 were absorbed by other departments with similar classification. It is my understanding the Food Service Administrator's position was vacant when this first went to contract.
- (4) What percentage of City employees' time is spent of services to be contracted out?
None
- (5) How long have the services been contracted out? Is this likely to be a one-time or an ongoing request for contracting out?
This service was contracted out in 1980 and will be an ongoing request for contracting out.
- (6) What was the first fiscal year for a Proposition J certification? Has it been certified for each subsequent year?
FY 1980-81 and has been certified for each subsequent year.
- (7) How will the services meet the goals of your MBE/WBE Action Plan?
A waiver is in effect for this contracted service. The contract is a highly specialized and competitively bid contract.
- (8) Does the proposed contract require that the contractor provide health insurance for its employees? Even if not required, are health benefits provided?
There is no contracted requirement for the contractor to provide health insurance. However, this contractor does provide health insurance for its employees.
- (9) Does the proposed contractor provide benefits to employees with spouses? If so, are the same benefits provided to employees with domestic partners? If not, how does the proposed contractor comply with the Domestic Partners ordinance? Contractor does provide benefits to spouses of employees. Current contract expires in 1999. Contractor knows they must comply with equal benefits requirement should they request a contract modification before the contract expiration. Contractor has provided documentation to HRC.
Department Representative: Sergeant Edwin James #1012

Telephone Number: 554-7225

Item 1c – File 98-798

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Department: Sheriff's Department

Item: Resolution concurring with the controller's certification that the San Francisco Own Recognizance Project (O.R.) for the City and County of San Francisco can continue to be practically be performed by private contractor at a lower cost for the year commencing July 1, 1998, than if the work were performed by City and County employees.

Services to be Performed: Own Recognizance Project

Description: Charter Section 10.104 provides that the City may contract with private firms for services which had been performed by City employees if the Controller certifies, and the Board of Supervisors concurs, that such services can in fact be performed by private firms at a lower cost than similar work services performed by City employees.

The Controller has determined that contracting for the Own Recognizance Project for FY 1998-99 would result in estimated savings as follows:

	Lowest Salary Step	Highest Salary Step
<u>City-Operated Service Costs</u>		
Salaries	\$741,220	\$ 876,679
Fringe Benefits	<u>198,352</u>	<u>219,104</u>
Total	\$939,572	\$1,095,783
 <u>Contractual Services Cost</u>	 <u>792,763</u>	 <u>792,763</u>
 <u>Estimated Savings</u>	 <u>\$146,809</u>	 <u>\$303,020</u>

Comments: 1. The Own Recognizance Project interviews all persons arrested on non-warrant felony charges and certain misdemeanors that are not citable by the Sheriff's

BOARD OF SUPERVISORS
BUDGET ANALYST

Department, who are booked into custody and are not immediately bailed or cited.

2. The Sheriff's Department reports that the O.R. Project was first certified under Proposition J, (Charter Section 10.104), in FY 1977-78 and has been continuously contracted out by The San Francisco Institute for Criminal Justice since that time.

3. The prior one-year contract with San Francisco Institute for Criminal Justice-O.R Project expires on June 30, 1998. The Office of the Sheriff wishes to exercise its option to renew this contract. Approval of this proposed resolution is required before the expired contract with San Francisco Institute for Criminal Justice-O.R Project can be renewed for FY 1998-99.

4. The Contractual Services Cost used for the purpose of this analysis is the San Francisco Institute for Criminal Justice-O.R. Projects' projected FY 1998-99 cost for the Own Recognizance Project, which is 4.1 percent less than FY 1997-98.

5. The Controller's supplemental questionnaire with the Department's responses is attached.

6. The proposed resolution should be amended to retroactively approve the Controller's certification as of July 1, 1998.

Recommendation: Amend the proposed resolution to provide for retroactivity and approve the proposed resolution as amended.

Item 1c – File 98-798

Department: Sheriff's Department

Item: Resolution concurring with the controller's certification that the San Francisco Own Recognizance Project (O.R.) for the City and County of San Francisco can continue to be practically be performed by private contractor at a lower cost for the year commencing July 1, 1998, than if the work were performed by City and County employees.

Services to be Performed: Own Recognizance Project

Description: Charter Section 10.104 provides that the City may contract with private firms for services which had been performed by City employees if the Controller certifies, and the Board of Supervisors concurs, that such services can in fact be performed by private firms at a lower cost than similar work services performed by City employees.

The Controller has determined that contracting for the Own Recognizance Project for FY 1998-99 would result in estimated savings as follows:

	Lowest Salary <u>Step</u>	Highest Salary <u>Step</u>
<u>City-Operated Service Costs</u>		
Salaries	\$741,220	\$ 876,679
Fringe Benefits	<u>198,352</u>	<u>219,104</u>
Total	\$939,572	\$1,095,783
 <u>Contractual Services Cost</u>	 <u>792,763</u>	 <u>792,763</u>
 <u>Estimated Savings</u>	 <u>\$146,809</u>	 <u>\$303,020</u>

Comments: 1. The Own Recognizance Project interviews all persons arrested on non-warrant felony charges and certain misdemeanors that are not citable by the Sheriff's

Department, who are booked into custody and are not immediately bailed or cited.

2. The Sheriff's Department reports that the O.R. Project was first certified under Proposition J, (Charter Section 10.104), in FY 1977-78 and has been continuously contracted out by The San Francisco Institute for Criminal Justice since that time.

3. The prior one-year contract with San Francisco Institute for Criminal Justice-O.R Project expires on June 30, 1998. The Office of the Sheriff wishes to exercise its option to renew this contract. Approval of this proposed resolution is required before the expired contract with San Francisco Institute for Criminal Justice-O.R Project can be renewed for FY 1998-99.

4. The Contractual Services Cost used for the purpose of this analysis is the San Francisco Institute for Criminal Justice-O.R. Projects' projected FY 1998-99 cost for the Own Recognizance Project, which is 4.1 percent less than FY 1997-98.

5. The Controller's supplemental questionnaire with the Department's responses is attached.

Recommendation: Approve the proposed resolution.

CHARTER 10.104.15 (PROPOSITION J) QUESTIONNAIRE

DEPARTMENT: SHERIFFCONTRACT SERVICES: San Francisco Institute For
Criminal Justice - O.R. ProjectCONTRACT PERIOD: July 1, 1998 - June 30, 1999

- (1) Who performed the activity/service prior to contracting out?

The service was not provided.

- (2) How many City employees were laid off as a result of contracting out?

None

- (3) Explain the disposition of employees if they were not laid off.

N/A

- (4) What percentage of City employees' time is spent of services to be contracted out?

None

- (5) How long have the services been contracted out? Is this likely to be a one-time or an ongoing request for contracting out?

The service was first contracted out in 1966. It is an ongoing request for contracting out.

- (6) What was the first fiscal year for a Proposition J certification? Has it been certified for each subsequent year?

FY 77-78 and it has been certified each subsequent year.

- (7) How will the services meet the goals of your MBE/WBE Action Plan?

This service is provided by a non-profit organization so the MBE/WBE is not affected.

- (8) Does the proposed contract require that the contractor provide health insurance for its employees? Even if not required, are health benefits provided?

The proposed contract does not require the contractor to provide health insurance but the contractor does provide health insurance for its employees.

- (9) Does the proposed contractor provide benefits to employees with spouses? If so, are the same benefits provided to employees with domestic partners? If not, how does the proposed contractor comply with the Domestic Partners ordinance?

Contractor does provide benefits to spouses of employees and has taken necessary steps to comply with the domestic partners ordinance.

Department Representative: Sergeant Edwin James #1012Telephone Number: 554-7225

Item 1d – File 98-799

Department: Sheriff's Department

Item: Resolution concurring with the Controller's certification that the Pre-Trial Diversion Project for the City and County of San Francisco can continue to be practically performed by a private contractor at a lower cost for the year commencing July 1, 1998, than if the work were performed by City and County employees.

Services to be Performed: Pre-Trial Diversion Project

Description: Charter Section 10.104 provides that the City may contract with private firms for services which had been performed by City employees if the Controller certifies, and the Board of Supervisors concurs, that such services can in fact be performed by private firms at a lower cost than similar work services performed by City employees.

The Controller has determined that contracting for the Pre-Trial Diversion Project for FY 1998-99 would result in estimated savings as follows:

	Lowest Salary <u>Step</u>	Highest Salary <u>Step</u>
<u>City-Operated Service Costs</u>		
Salaries	\$508,816	\$601,985
Fringe Benefits	<u>134,944</u>	<u>149,591</u>
Total	\$643,760	\$751,576
<u>Contractual Services Cost</u>	<u>512,142</u>	<u>512,142</u>
<u>Estimated Savings</u>	<u>\$131,618</u>	<u>\$239,434</u>

Comments: 1. The Pre-Trial Diversion Project diverts selected misdemeanor offenders from the criminal justice system and places such offenders in the Pre-Trial Diversion Project to receive vocational training, job placement and counseling. The Sheriff's Department reports that this service was first certified as required under Proposition J,

BOARD OF SUPERVISORS
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(Charter Section 10.104) in FY 1977-78 and has been continuously provided by an outside contractor since then.

2. The prior one-year contract with the San Francisco Diversion Project, the non-profit organization which provides the Pre-Trial Diversion Project, expires on June 30, 1998. The Office of the Sheriff wishes to exercise its option to renew this contract. Approval of the proposed resolution is required before the expired contract with the San Francisco Diversion Project can be renewed for FY 1998-99.

3. The Contractual Services Cost used for the purpose of this analysis is the San Francisco Diversion Projects' projected FY 1998-99 cost for the Pre-Trial Diversion Project.

4. The estimated FY 1998-99 Contractual Services Cost for the Pre-Trial Diversion Project of \$512,142 is \$360,403 or 238 percent more than the FY 1997-98 cost of \$151,739. The memo contained in Attachment I, provided by Sergeant Edwin James, from the Sheriff's Department, explains in detail the reasons and the necessity for a 238 percent increase in the costs of the contract.

5. The Controller's supplemental questionnaire with the Department's responses is shown as Attachment II.

6. The proposed resolution should be amended to retroactively approve the Controller's certification as of July 1, 1998.

Recommendation: Amend the proposed resolution to provide for retroactivity and approve the proposed resolution as amended.

Item 1d – File 98-799

Department: Sheriff's Department

Item: Resolution concurring with the Controller's certification that the Pre-Trial Diversion Project for the City and County of San Francisco can continue to be practically performed by a private contractor at a lower cost for the year commencing July 1, 1998, than if the work were performed by City and County employees.

Services to be Performed: Pre-Trial Diversion Project

Description: Charter Section 10.104 provides that the City may contract with private firms for services which had been performed by City employees if the Controller certifies, and the Board of Supervisors concurs, that such services can in fact be performed by private firms at a lower cost than similar work services performed by City employees.

The Controller has determined that contracting for the Pre-Trial Diversion Project for FY 1998-99 would result in estimated savings as follows:

	Lowest Salary Step	Highest Salary Step
<u>City-Operated Service Costs</u>		
Salaries	\$508,816	\$601,985
Fringe Benefits	<u>134,944</u>	<u>149,591</u>
Total	\$643,760	\$751,576
<u>Contractual Services Cost</u>	<u>512,142</u>	<u>512,142</u>
<u>Estimated Savings</u>	<u>\$131,618</u>	<u>\$239,434</u>

Comments: 1. The Pre-Trial Diversion Project diverts selected misdemeanor offenders from the criminal justice system and places such offenders in the Pre-Trial Diversion Project to receive vocational training, job placement and counseling. The Sheriff's Department reports that this service was first certified as required under Proposition J,

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(Charter Section 10.104) in FY 1977-78 and has been continuously provided by an outside contractor since then.

2. The prior one-year contract with the San Francisco Diversion Project, the non-profit organization which provides the Pre-Trial Diversion Project, expires on June 30, 1998. The Office of the Sheriff wishes to exercise its option to renew this contract. Approval of the proposed resolution is required before the expired contract with the San Francisco Diversion Project can be renewed for FY 1998-99.

3. The Contractual Services Cost used for the purpose of this analysis is the San Francisco Diversion Projects' projected FY 1998-99 cost for the Pre-Trial Diversion Project.

4. The estimated FY 1998-99 Contractual Services Cost for the Pre-Trial Diversion Project of \$512,142 is \$360,403 or 238 percent more than the FY 1997-98 cost of \$151,739. The memo contained in Attachment I, provided by Sergeant Edwin James, from the Sheriff's Department, explains in detail the reasons and the necessity for a 238 percent increase in the costs of the contract.

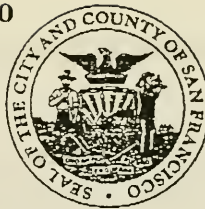
5. The Controller's supplemental questionnaire with the Department's responses is shown as Attachment II.

Recommendation: Approve the proposed resolution.

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City and County of San Francisco

OFFICE OF THE SHERIFF



Michael Hennessey
SHERIFF

(415) 554-7225

May 29, 1998

Ref: FS/1 98-081

Rachel Aberbach
Budget Analyst
1390 Market Street
San Francisco, CA 94102

Dear Ms. Aberbach,

In regards to your inquiry to the cost and duties of the PreTrial Diversion Project for Fiscal Year 1998-99 in comparison to 97-98:

The analysis completed for the PreTrial Diversion Project for FY 97-98 described the services for only one of the two components administered by this contractor. The former budget officer mistakenly left out the other component. The program which was outlined is known as the "PreTrial Diversion Program." This program consists of selected misdemeanor offenders (usually first time offenders) that are diverted from the traditional criminal justice system into alternative sentencing which includes community services, counseling, etc.,. The contractual cost for the PreTrial Diversion Program was \$151,739.

To rectify the matter, for FY 1998-99, the two components, the "PreTrial Diversion Program" and the "Supervised PreTrial Release Program" are now included. The Supervised PreTrial Release Program has been in existence for two years and is designed to allow the screening of arrested persons the opportunity to have their status reviewed by a magistrate and possibly released from custody rather than remain incarcerated in the county jail. These individuals cannot make bail and cannot be released on their own recognizance. Qualified workers maintain aggressive supervision of all participants to ensure court appearances as well as address mental health, substance abuse and other related circumstances of the defendant.

The contractual cost of "PreTrial Diversion Program" and "Supervised PreTrial Release Program" is approximately \$416,000.

OFFICE OF THE SHERIFF (CONTINUED)

A new component added to the duties of the PreTrial Diversion Project is known as the "Mentor Court Program." This program consists of a rigorous educational developmental program overseen by qualified workers designed to divert youthful offenders from formal criminal prosecution.

The contractual cost of the "Mentor Court Program" is approximately \$100,000.

Therefore, there are three programs that PreTrial Diversion Project is responsible for administering as contracted by the Sheriff's Department.

The contract for fiscal year 98-99 will be set up not to exceed \$516,000.

Please call if I may be of further assistance.

Sincerely,

Edwin James
EDWIN JAMES, SERGEANT
Financial Services Manager

CHARTER 10.104.15 (PROPOSITION J) QUESTIONNAIRE

DEPARTMENT: SHERIFFCONTRACT SERVICES: San Francisco
Pre-Trial Diversion ProjectCONTRACT PERIOD: July 1, 1998 - June 30, 1999

- (1) Who performed the activity/service prior to contracting out?

This service was initially funded through Federal Grant monies and service workers performed the duties.

- (2) How many City employees were laid off as a result of contracting out?

None

- (3) Explain the disposition of employees if they were not laid off.

N/A

- (4) What percentage of City employees' time is spent of services to be contracted out?

None

- (5) How long have the services been contracted out? Is this likely to be a one-time or an ongoing request for contracting out?

This service was first contacted out in 1977 and is an ongoing request.

- (6) What was the first fiscal year for a Proposition J certification? Has it been certified for each subsequent year?

FY 1977-78 and has been certified for each subsequent year.

- (7) How will the services meet the goals of your MBE/WBE Action Plan?

The service is provided by a non-profit organization so MBE/WBE plan is not effected.

- (8) Does the proposed contract require that the contractor provide health insurance for its employees? Even if not required, are health benefits provided?

The proposed contract does not require contractor to provide health insurance but the contractor does provide health insurance for its employees.

- (9) Does the proposed contractor provide benefits to employees with spouses? If so, are the same benefits provided to employees with domestic partners? If not, how does the proposed contractor comply with the Domestic Partners ordinance?

Contractor does provide benefits to spouses of employees and has taken necessary steps to comply with the domestic partners ordinance.

Department Representative: Sergeant Edwin James #1012Telephone Number: 554-7225

Item 1e – File 98-848

Department: Airport

Item: Resolution concurring with the Controller's certification that parking management services for the San Francisco International Airport can continue to practically be performed by private contractor at a lower cost for the year commencing July 1, 1998 than if work were performed by City and County employees.

Services to be Performed: Parking Management Services

Description: Charter Section 10.104 provides that the City may contract with private firms for services which had been performed by City employees, if the Controller certifies, and the Board of Supervisors concurs, that such services can in fact be performed by private firms at a lower cost than similar work services performed by City employees.

The Controller has determined that contracting for parking management services for the San Francisco International Airport for FY 1998-99 would result in the estimated savings as follows:

	Low Salary Step	High Salary Step
<u>City-Operated Service Costs</u>		
Salaries	\$11,363,235	\$13,345,744
Fringe Benefits	3,086,641	3,382,518
Operating Costs	<u>2,000,764</u>	<u>2,000,764</u>
Total	\$16,450,640	\$18,729,026
 <u>Contractual Services Costs</u>	 <u>13,267,205</u>	 <u>13,267,205</u>
 <u>Estimated Savings</u>	 <u>\$3,183,435</u>	 <u>\$5,461,821</u>

Comment: 1. Parking management services for the Airport include the management of parking and taxicab operations, security guard services, janitorial services, and services associated with master plan construction and starting up a new parking facility.

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2. Parking management services for the Airport have been contracted out since 1971, the first year that these services were provided.

3. The prior one-year contract with AMPCO System Parking expired on June 30, 1998. The Airport wishes to exercise its option to renew this contract for one year. The proposed new contract was scheduled to begin on July 1, 1998. As such, the proposed resolution should be amended for retroactivity.

4. The Contractual Services Cost used for the purpose of this analysis is AMPCO's projected FY 1998-99 cost for parking management services.

5. The Controller's supplemental questionnaire with the Department's responses is attached.


Recommendation: Amend the proposed resolution for retroactivity and approve the proposed resolution as amended.

CHARTER 10.104.15 (PROPOSITION J) QUESTIONNAIRE

Department: Airport Commission
 Contract Services: Public Automobile Parking
 Contract Period: July 1, 1998 to June 30, 1999

1. Who performed the activity/service prior to contracting out?
 This service has always been contracted out, it has never been operated by City personnel.
2. How many City employees were laid off as a result of contracting out?
 None
3. Explain the disposition of employees if they were not laid off.
 N/A
4. What percentage of City employees' time is spent on services to be contracted out?
 N/A
5. How long have the services been contracted out? Is this likely to be a one-time or an ongoing request for contracting out?
 Services have been contracted out since October 16, 1971, it is likely to remain contracted out.
6. What was the first fiscal year for a Proposition J certification? Has it been certified for each subsequent year?
 It has been certified each year since 1980.
 Yes, it has been certified each year since Fiscal Year 1980/81.
7. How will the services meet the goals of your MBE/WBE Action Plan?
 Although this contract was not awarded to a MBE/WBE firm in 1995, it must adhere to the City's non-discrimination ordinance contained in Chapters 12B & 12C of the City's Administrative Code. This contract contains MBE/WBE goals which include "best effort to meet a 30% goal.
8. Does the proposed contract require that the contractor provide health insurance for its employees? Even if not required, are health benefits provided?
 The contractor provides health insurance for its employees through union agreements.
9. Does the proposed contractor provide benefits to employees with spouses? If so, are the same benefits provided to employees with domestic partners? If not, how does the proposed contractor comply with the Domestic Partners ordinance?
 AMPCO and parent ABMI are working on a nation-wide Domestic Partners Program. This contract is unchanged and the requirement was not included in the contract.

Department Representative: _____


 Duke Briscoe, Deputy Airport Director - Operations

Telephone Number: (650) 794-5010

04106a.dcf

Revised: 16-Mar-98

Item 1f – File 98-945

Department: Administrative Services

Item: Resolution concurring with the Controller's certification that convention facilities management, operation and maintenance services can be practically performed at Bill Graham Civic Auditorium and Moscone Center by private contractor at a lower cost than similar work services performed by City and County employees.

Services to be Performed: Convention facilities management, operation and maintenance

Description: In July, 1995, the Administrative Services Department renewed an existing contract with Moscone Joint Venture for a four year period for the provision of convention facilities management, operations and maintenance services at the Bill Graham Civic Auditorium and Moscone Center. A resolution for the Proposition J certification for this contract for the period July 1, 1997 through June 30, 1998 was approved by the Board of Supervisors in July of 1997. The proposed resolution would approve the Proposition J certification for Moscone Joint Venture to continue providing convention facilities management, operations and maintenance services at the Bill Graham Civic Auditorium and Moscone Center for the period from July 1, 1998 through June 30, 1999.

Charter Section 10.104 provides that the City may contract with private firms for services which had been performed by City employees if the Controller certifies, and the Board of Supervisors concurs, that such services can in fact be performed by private firms at a lower cost than similar work services performed by City employees.

The Controller has determined that contracting for convention facilities management, operations and maintenance services at the Bill Graham Civic Auditorium and Moscone Center for FY 1998-99 would result in the estimated savings as follows:

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	Lowest Salary Step	Highest Salary Step
<u>City-Operated Service Costs</u>		
Salaries	\$8,352,736	\$9,815,426
Fringe Benefits	<u>2,216,449</u>	<u>2,444,316</u>
Total	\$10,569,185	\$12,259,742
 <u>Contractual Services Cost</u>	 <u>10,162,532</u>	 <u>10,162,532</u>
 <u>Estimated Savings</u>	 <u>\$406,653</u>	 <u>\$2,097,210</u>

Comment:

1. Convention facilities management, operation and maintenance services at Bill Graham Civic Auditorium and Moscone Center were first certified, as required by Charter Section 10.104, in 1981 and have been continuously provided by an outside contractor since then.
2. The proposed resolution should be amended to retroactively approve the Controller's certification as of July 1, 1998.
3. The Contractual Services Cost used for the purpose of this analysis is the Moscone Joint Venture's projected FY 1998-99 costs for convention facilities management, operation and maintenance.
4. The Controller's supplemental questionnaire with the Department's responses is shown in the Attachment to this report.

Recommendation:

Amend the proposed resolution for retroactivity and approve the proposed resolution as amended.

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CHARTER 10.104.15 (PROPOSITION J) QUESTIONNAIRE

DEPARTMENT: San Francisco Convention FacilitiesCONTRACT SERVICES: OperationsCONTRACT PERIOD: July 1, 1998 - June 30, 1999

- (1) Who performed the activity/service prior to contracting out?

City

- (2) How many City employees were laid off as a result of contracting out?

None

- (3) Explain the disposition of employees if they were not laid off.

Employees went to work for the contractor.

- (4) What percentage of City employees' time is spent of services to be contracted out?

0%

- (5) How long have the services been contracted out? Is this likely to be a one-time or an ongoing request for contracting out?

17 Years

- (6) What was the first fiscal year for a Proposition J certification? Has it been certified for each subsequent year?

1982 - 1983. Yes.

- (7) How will the services meet the goals of your MBE/WBE Action Plan?

Contractor is a joint venture with a minority principal..

- (8) Does the proposed contract require that the contractor provide health insurance for its employees? Even if not required, are health benefits provided?

Yes.

- (9) Does the proposed contractor provide benefits to employees with spouses? If so, are the same benefits provided to employees with domestic partners? If not, how does the proposed contractor comply with the Domestic Partners ordinance?

Yes

Department Representative: Jack MoerschbaecherTelephone Number: 554-6178

Item 1g - File 98-922

Department: Public Utilities Commission (PUC)
Department of Public Works (DPW)

Item: Resolution authorizing the expenditure of funds in the amount of \$93,870 for emergency repair work to replace the structurally inadequate sewer on Hattie Street from Market Street to Corbett Street.

Amount: \$93,870

Source of Funds: FY 1997-98 PUC Repair and Replacement Fund

Description: The Public Utilities Commission advises that on October 14, 1997 the sewer located on Hattie Street from Market Street to Corbett Street had failed and immediate repairs were required in order to protect the health, welfare and property of the Citizens of San Francisco. The PUC declared an emergency on October 14, 1997. In accordance with Section 6.30 of the Administrative Code, the PUC initiated expedited contract proceedings and the PUC awarded a contract to the low bidder, Harty Pipelines, Inc. in the amount of \$69,750.

Budget: The total estimated project cost is \$93,870 including \$69,720 for construction work and \$24,150 for DPW costs.

Comment: 1. Mr. Norman Chan of the DPW, advises that the following construction bids were received from two firms on October 17, 1997:

<u>Name of bidder</u>	<u>Amount of Bid</u>
Harty Pipelines, Inc.	\$69,750
A Ruiz Construction Co.	74,141

2. Mr. Chan advises that due to changed equipment requirements, the final payment to Harty Pipelines, Inc. was \$69,720 or \$30 less than the bid amount of \$69,750.

3. Mr. Chan reports that the repair work of the damaged sewer began on October 27, 1997 and was completed on November 10, 1997.

4. Mr. Chan advises that due to various delays in receiving expenditure documentation from Harty Pipelines, Inc, the PUC is requesting approval of this proposed resolution approximately seven months after the construction work was completed.

Recommendation: Approve the proposed resolution.

Item 1h – File 98-923

Department: Public Utilities Commission (PUC)
Department of Public Works (DPW)

Item: Resolution authorizing the expenditure of funds in the amount of \$164,164 for emergency repair work to replace the structurally inadequate sewer on Douglass Street from 24th Street to 25th Street.

Amount: \$164,164

Source of Funds: FY 1997-98 PUC Repair and Replacement Fund

Description: The Public Utilities Commission advises that on November 12, 1997 the sewer located on Douglass Street from 24th Street to 25th Street had failed and immediate repairs were required in order to protect the health, welfare and property of the Citizens of San Francisco. The PUC declared an emergency on November 12, 1997. In accordance with Section 6.30 of the Administrative Code, the PUC initiated expedited contract proceedings and the PUC awarded a contract to the low bidder, Shaw Pipeline, Inc. in the amount of \$138,974.

Budget: The total estimated project cost is \$164,164 including \$127,164 for construction work and \$37,000 for DPW costs.

Comment: 1. Mr. Norman Chan of the DPW, advises that the following construction bids were received from seven firms on November 13, 1997:

<u>Name of Bidder</u>	<u>Amount of Bid</u>
Shaw Pipeline, Inc.	\$138,974
JMB Construction Inc.	149,085
Harty Pipelines, Inc.	157,600
KJ Woods Construction Co. Inc.	154,000
Uniacke Construction Inc.	169,330
Darcy & Harty Construction	178,320
A Ruiz Construction Co.	250,551

2. Mr. Chan advises that various bid items were deleted from the contract. Therefore the final payment to Shaw

Pipeline, Inc. was \$127,164 or \$11,810 less than the bid amount of \$138,974.

3. Mr. Chan reports that the repair work of the damaged sewer began on November 14, 1997 and was completed on December 19, 1997.

4. Mr. Chan advises that due to various delays in receiving expenditure documentation from Shaw Pipeline, Inc., the PUC is requesting approval of this proposed resolution approximately six months after the construction work was completed.

Recommendation: Approve the proposed resolution.

Items 2 and 3 - Files 98-934 and 98-935

Note: The Department of Human Services (DHS) advises that it will submit an Amendment of the Whole to the Finance Committee for each of the subject items. This report is based upon the amended legislation.

Department: Department of Human Services (DHS)

Item: **Item 2, File 98-934:** Resolution approving a contract between the City and Addus HealthCare for the provision of In-Home Supportive Services (IHSS) for the three year period from August 1, 1998 to June 30, 2001, with an option to renew for one additional year, in the amount of \$14,888,844.

Item 3, File 98-935: Resolution approving a contract between the City and the IHSS Consortium of San Francisco for the provision of IHSS for the period from August 1, 1998 to June 30, 2001, with an option to renew for one additional year, in the amount of \$16,132,813.

Contract Amounts:	Addus HealthCare	\$14,888,844
	IHSS Consortium	<u>16,132,813</u>
	Total	\$31,021,657

Source of Funds:	General Fund monies included in DHS's FY 1998-99 budget and to be included in the FY 1999-2000 and FY 2000-2001 budgets	\$ 9,306,497
	Federal and State Medicaid Funds included in DHS's FY 1998-99 budget and to be included in the FY 1999-2000 and FY 2000-2001 budgets	<u>21,715,160</u>
	Total	\$31,021,657

Description: In-Home Supportive Services (IHSS) is an entitlement program which provides funding for low-income seniors and disabled people to receive non-medical personal care and other household assistance in their homes from visiting workers. IHSS care can allow seniors and disabled persons to remain in their own homes and thereby avoid unnecessary and expensive hospitalization or institutionalization.

IHSS workers function either as (a) independent providers; (b) through a contract between DHS and the IHSS Consortium, which consists of non-profit providers of services; or (c) through a contract between DHS and Addus HealthCare, a private provider of services. The total annual

Memo to Finance Committee
July 8, 1998 Finance Committee Meeting

IHSS hours provided by these three IHSS providers is approximately 7,270,000. Under the proposed contracts, the total annual IHSS hours of 7,270,000 would be distributed as follows: (a) independent providers – approximately 90 percent, or 6,520,000 hours; (b) IHSS Consortium – approximately five percent or 375,000 hours; and (c) Addus HealthCare – approximately five percent or 375,000 hours.

In 1994 the Board of Supervisors approved two contracts for IHSS services, one with the IHSS Consortium and one with Addus HealthCare, for the period from July 1, 1994 to June 30, 1997, with an option to renew for one year (Resolution 688-94). According to Ms. Julie Murray Brenman of DHS, a one month extension of the two contracts, to July 31, 1998, was approved by the Human Services Commission on June 25, 1998, due to a delay in receiving contract rate approval by the State. The proposed resolutions would authorize new contracts with the IHSS Consortium (File 98-935) and Addus HealthCare (File 98-934) for the period from August 1, 1998 to June 30, 2001, with an option to renew for one additional year.

Under the proposed contracts, IHSS Consortium and Addus HealthCare contract employees will receive health and other benefits as well as sick, vacation, and holiday benefits. The following table shows the proposed hourly rates, estimated number of hours and estimated total amount to be paid to each of the contractors. The hourly rates include wages paid to IHSS workers, benefits, training, travel, insurance and administrative costs.

	<u>Addus HealthCare</u>	<u>IHSS Consortium</u>
<u>FY 1998-99</u>		
Hourly rate	\$13.5878	\$14.75
Estimated # of hours*	343,750	343,750
Total amount	\$4,670,806	\$5,070,313
<u>FY 1999-2000</u>		
Hourly rate	\$13.6235	\$14.75
Estimated # of hours	375,000	375,000
Total amount	\$5,108,813	\$5,531,250
<u>FY 2000-01</u>		
Hourly rate	\$13.6246	\$14.75
Estimated # of hours	375,000	375,000
Total amount	\$5,109,225	\$5,531,250

* This represents prorated hours for the 11-month period from August 1, 1998 through June 30, 1999 (based on the annualized amount of 375,000 hours).

The proposed FY 1998-99 hourly rate of \$13.5878 for Addus HealthCare is \$0.1522 per hour lower, or a 1.1 percent decrease, over the FY 1997-98 rate of \$13.74. The proposed FY 1998-99 hourly rate of \$14.75 for the IHSS Consortium is \$1.01 higher, or a 7.4 percent increase over the FY 1997-98 rate of \$13.74. According to Ms. Brenman, these changes in the FY 1998-99 hourly rates are due to a redistribution of hours between the two contractors. Ms. Brenman advises that, under the current contracts, the IHSS Consortium provides 150,000 hours of services and Addus HealthCare provides 600,000 hours of services. Under the proposed contracts, the IHSS Consortium and Addus HealthCare would each provide 343,750 hours of services in FY 1998-99 (375,000 hours on an annualized basis). As a result of the relative increase in the number of hours required under the IHSS Consortium contract, Addus HealthCare employees (who are paid at a higher rate than IHSS Consortium employees) are being shifted to the IHSS Consortium contract, thereby resulting in a higher hourly rate for IHSS Consortium and a lower hourly rate for Addus HealthCare.

Comments:

1. Mr. Anthony Nicco of DHS advises that, in February of 1998, DHS issued two separate request for proposals (RFPs) for the subject IHSS services, one for non-profit service providers and one for private and other providers. According to Mr. Nicco, only one firm, the IHSS Consortium, responded to the RFP for non-profits. DHS received two responses to the RFP for private and other providers. Mr. Nicco reports that Addus HealthCare submitted a bid of \$13.61 per hour. Although another firm, AJC Services, submitted a lower bid of \$13.56 per hour, AJC Services' proposal received a lower overall score from an independent review panel than Addus HealthCare's proposal, according to Mr. Nicco. Mr. Nicco advises that Addus Health Care's hourly rate of \$13.61 represents the composite rate over the three year period of the contract.

2. The contract with Addus HealthCare specifies that it shall not exceed a maximum amount of \$14,888,844 over the three year period of the contract. The contract with the IHSS Consortium specifies that it will not exceed \$16,132,813 over the three year period of the contract.

3. Mr. Nicco advises that the funding to provide health care benefits to IHSS workers contained in the Mayor's proposed

FY 1998-99 budget is for independent IHSS workers only. IHSS workers employed under contract with Addus HealthCare and the IHSS Consortium receive health care benefits provided by those employers. Similarly, the hourly wage increase from \$6.65 to \$7.00 per hour, proposed by the Finance Committee in the FY 1998-99 budget, is for independent IHSS workers only. Mr. Nicco reports that wage rates for IHSS workers employed under contract with Addus HealthCare and the IHSS Consortium are set through separate union negotiations.

Recommendation: Based on the representations of DHS that only one firm, the IHSS Consortium, responded to the RFP for nonprofit providers and that Addus Health Care received the highest overall score among the private providers, approve the proposed resolutions.

Item 4 – File 98-1089

Department: California Academy of Sciences

Item: Ordinance calling and providing for a special election to be held in the City and County of San Francisco on Tuesday, November 3, 1998 for the purpose of submitting to the voters a proposition to incur bonded indebtedness of the City and County in the amount of \$79,880,000 for the acquisition, rehabilitation, renovation, improvement, construction or reconstruction by the City and County of San Francisco of the California Academy of Sciences, and all other works, property and structures necessary or convenient for the foregoing purposes; finding that the estimated cost of \$79,880,000 for the publicly-funded portion of the project is and will be too great to be paid out of the ordinary annual income and revenue of the City and County and will require the incurring of bonded indebtedness; and specifying other requirements and procedures related to the special election.

Description: The State General Obligation Bond Law requires that, in order for the City to issue General Obligation Bonds, a resolution of public convenience and necessity must first be adopted by a two-thirds vote of the Board of Supervisors, and the proposed bonds must then be approved by two-thirds of the electorate. On June 22, 1998, the Board of Supervisors approved a resolution declaring that the public interest and necessity demand improvements to the California Academy of Sciences by the City and County (File 98-818).

The proposed ordinance would provide for a special election to be held and consolidated with the Consolidated Municipal Election already scheduled for November 3, 1998 in order to submit to the voters a proposition to incur bonded indebtedness of the City and County, in the principal amount of \$79,880,000, for improvements to the California Academy of Sciences.

Financing for a renovated and expanded 414,503 square foot Academy of Sciences facility (the existing facility is 378,443 square feet) at an estimated total cost of \$129,432,000 would be funded (a) by the subject proposed

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\$79,880,000 in General Obligation Bonds to be authorized by the electorate and (b) private financing in the amount of \$49,552,000 to be raised by the California Academy of Sciences Trustees under a public/private partnership between the City and the California Academy of Sciences Trustees. The Academy facility would be renovated and expanded at the same Golden Gate Park location.

Budget:

A summary budget for the \$79,880,000 estimated project budget for the publicly funded General Obligation Bond portion of the new California Academy of Sciences is as follows:

General Construction	\$62,606,000
Hazardous Materials Mitigation	1,000,000
Fees and Permits	13,022,000
Relocation	1,050,000
Telecommunications/Security	950,000
Art Enrichment	<u>1,252,000</u>
Total Project Budget	\$79,880,000

The Attachment to this report is a budget, provided by the California Academy of Sciences, showing the \$79,880,000 to be publicly funded with General Obligation Bonds, and the \$49,552,000 to be funded from private sources, for a total project cost of \$129,432,000.

Comments:

1. According to Ms. Sarah Hollenbeck of the Mayor's Office of Public Finance, the City Charter provides for a legal debt limit of 3 percent of net assessed property value. The Mayor's Office of Public Finance has calculated the City's Debt Limit Ratio as follows:

Total Debt Limit at 7/1/98	\$1,757,867,490
Outstanding General Obligation Bonds at 1/1/98	<u>839,865,000</u>
Remaining General Obligation Capacity	\$918,002,490

If the bond issue of \$79,880,000 proposed for the November 1998 ballot were to be approved by voters, the remaining General Obligation bonding capacity would be \$838,122,490. However, the amount of debt that could be issued in any given year is partly a function of the level of

payments on existing debt, which fluctuates as older bond issues are retired and new bonds are issued.

2. According to Ms. Monique Moyer of the Mayor's Office of Public Finance, assuming the bonds are issued in an interest environment which reflects the norms for the past ten years, the Academy bonds would bear a true interest cost of 5.81 percent. Upon issuance of the entire \$79,880,000, average annual debt service would be approximately \$7,185,783 and total debt service would be \$136,744,354 for the proposed 20 year bond period.

Ms. Moyer reports that if the bonds were issued at this time, the true interest cost would be approximately 5.29 percent, average annual debt service would be approximately \$6,531,608, and total debt service would be \$130,341,865 for the proposed 20 year bond period.

3. According to Mr. John Madden of the Controller's Office, if \$79,880,000 in bonds were to be issued, the bonds would result in an increase in the Property Tax rate of approximately \$0.0127 per \$100 of assessed value. At this rate, the owner of a single family residence assessed at \$400,000 would pay \$49.97 in additional annual Property Taxes beginning in FY1999-2000.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Proposed Public Project Budget:
Seismic Renovation and Code Compliance

General Construction Cost in Thousands	Bond Funded Cost	Other Funded Cost	Total Cost
1.0 Earthwork and Demolition	\$2,093	\$0	\$2,093
2.0 Building Shell			
Foundations	\$584	\$0	\$584
Substructure	4,651	0	4,651
Superstructure	8,738	0	8,738
Architectural Finishes	7,801	0	7,801
Mechanical Systems	5,408	0	5,408
Electrical Systems	3,016	0	3,016
Site Utilities	150	0	150
Total 2.0 Building Shell	\$30,349	\$0	\$30,349
3.0 Special Finishes			
Tank Protective Coatings	\$63	\$0	\$63
Acrylic Viewing Windows	0	0	0
Total 3.0 Special Finishes	\$63	\$0	\$63
4.0 Specialized Equipment			
Life Support Systems	\$280	\$0	\$280
Hoists	0	0	0
Group 1 Equipment	1,875	0	1,875
Total 4.0 Specialized Equipment	\$2,155	\$0	\$2,155
5.0 Sitework			
Service/Corporation Yard Repairs	\$728	\$0	\$728
Terraces and Entries	692	0	692
Sitework Repairs	400	0	400
Total 5.0 Sitework	\$1,820	\$0	\$1,820
Subtotal	\$36,480	\$0	\$36,480
General Conditions	4,195	0	4,195
Contractor's Overhead & Profit	1,627	0	1,627
Subtotal	\$42,302	\$0	\$42,302
6.0 Exhibitory	\$0	\$22,067	\$22,067
Subtotal	\$42,302	\$22,067	\$64,369
Scope Development Contingency	4,230	2,207	6,437
Subtotal	\$46,532	\$24,274	\$70,806
Construction Contingency	4,653	2,427	7,081
Escalation	11,421	5,860	\$17,280
Total Construction Cost in Thousands	\$62,506	\$32,561	\$95,167

Project Cost in Thousands	Bond Funded Cost	Other Funded Cost	Total Cost
Total Construction Cost in Thousands (from Page 1)	\$62,606	\$32,561	\$95,167
Other Project Costs in Thousands			
7.0 Hazardous Materials Mitigation Cost	\$1,000	\$0	\$1,000
8.0 Permits & Fees			
Review of Existing EIR	\$160	\$0	\$160
Professional Design Fees	7,513	0	7,513
Exhibit/FF&E Design Fees	0	7,918	7,918
Project & Construction Management Fees	0	4,623	4,623
Civil & Geotechnical Engineering	170	100	270
Hazmat Mitigation Design Fees	35	0	35
Security & MIS Consultants	50	0	50
Permits & Plan Check Fees	800	0	800
Inspections & Testing	1,000	0	1,000
Owner's Insurance & Performance Bonds	814	0	814
Utility Fees	250	0	250
City Agency Fees	600	0	600
Bond Legal & Financing	1,630	0	1,630
General Project Legal Fees	0	250	250
Inhouse Facilities Engineering	0	50	50
Subtotal 8.0 Permits & Fees	\$13,022	\$12,941	\$25,963
9.0 Temporary Relocation & Moving	\$1,050	\$0	\$1,050
10.0 FF&E	\$0	\$4,000	\$4,000
11.0 Telecommunications & Security Systems	\$950	\$50	\$1,000
12.0 Art Enrichment	\$1,252	\$0	\$1,252
Total Other Project Costs	\$17,274	\$16,991	\$34,265
Total Project Cost	\$79,880	\$49,552	\$129,432

Item 5 – File 98-929

Department: Department of Human Resources (DHR)
Recreation and Park Department

Item: Ordinance authorizing the settlement of a grievance of Mr. Ron Perez for Acting Assignment Pay filed against the City pursuant to the Memoranda of Understanding (MOU) between the International Brotherhood of Electrical Workers (IBEW), Local 6, in the amount of \$13,351.40

Description: The proposed ordinance would approve a settlement against the City in the amount of \$13,351.40 for a grievance filed on behalf of Mr. Ron Perez by the International Brotherhood of Electrical Workers, Local 6.

According to Ms. Paula Schiff, of Employee Relations Division of the Department of Human Resources, Mr. Perez, a 7510 Lighting Fixture Maintenance Worker, working for the Recreation and Park Department (RPD), was performing the duties of a 7345 Electrician for the period March 10, 1997 through October 31, 1997. Ms. Schiff advises that Mr. Perez was directed by his Supervisor to perform the duties of a 7345 Electrician due to a shortage of staff. As a result, a request was made by the Recreation and Park Department to the Department of Human Resources (DHR) to authorize Acting Assignment Pay for Mr. Perez. However, the Department of Human Resources denied the request for the reasons stated in the attached July 8, 1997 DHR memorandum, (Attachment I).

Section III.E.9 of the MOU between IBEW, Local 6 and the City states that, "Employees assigned by the Department Head or designee to perform a substantial portion of the duties and responsibilities of a higher classification shall receive compensation at a higher salary if all of the following conditions are met: 1) the assignment shall be in writing, 2) the position to which the employee is assigned must be a budgeted position, and 3) the employee is assigned to perform the duties of a higher classification for longer than ten consecutive working days or eighty hours, whichever is greater. An

BOARD OF SUPERVISORS
BUDGET ANALYST

employee who believes he/she is performing a substantial portion of the duties and responsibilities of a higher classification, even though one or more of the above-stated conditions are not met, shall be entitled to file a claim for out-of-class pay with the department head. Denials for acting assignment pay shall be subject to the grievance procedure."

On behalf of Mr. Perez, IBEW Local 6 filed a grievance against the City on August 5, 1997 asserting violation of Section III.E.9 of the MOU between the IBEW and the City based on the City's denial of Acting Assignment Pay for Mr. Perez.

According to Ms. Schiff, based on the grievance filed by IBEW, DHR decided that Mr. Perez should be paid the higher level salary at classification 7345 Electrician, for the period of March 10, 1997, through October 31, 1997, for Acting Assignment Pay, because Mr. Perez was performing the duties of a 7345 Electrician. Attachment II is a memo from DHR explaining why DHR approved the grievance after its prior written decision of July 8, 1997 to deny the Acting Assignment Pay request of Mr. Perez.

Comments:

1. Ms. Cindy Monroe of the Recreation and Park Department advised that the original calculation of \$13,351.40 for the acting assignment pay is in error and that the correct amount is \$10,789.29.
2. Ms. Vicki Clayton of the City Attorney's Office advises that if the Board of Supervisors does not approve the proposed ordinance, the dispute would be decided by an arbitrator.

Recommendations:

1. Amend the proposed ordinance to authorize the correct amount of acting assignment pay of \$10,789.29 instead of \$13,351.40
2. Approval of the proposed ordinance, as amended, is a policy decision for the Board of Supervisors.

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BUDGET ANALYST

City and County of San Francisco



Department of Human Resources

ANDREA R. GOURDINE
HUMAN RESOURCES DIRECTOR

July 8, 1997

Ms. Cindy Monroe
Senior Departmental Personnel Officer
Recreation & Park Department
Sutcliffe & Fell Streets
San Francisco, CA 94117

RE: ACTING ASSIGNMENT PAY - RON PEREZ

Dear Ms. Monroe:

This is in response to your request for Acting Assignment Pay for Ron Perez, class 7510 Lighting Fixture Maintenance Worker. This classification is represented by International Brotherhood of Electrical Workers, Local 6.

Staff reviewed the Acting Assignment Request Form and the Fiscal Year 1996-97 Budgeted Positions Level Chart. In reviewing the eligibility requirement conditions in accordance with the applicable provision of the IBEW, Local 6 Memorandum of Understanding, Article III.E.7. - Acting Assignment Pay indicates ... "An employee assigned ... shall receive compensation at a higher salary if all of the following conditions are met: 1) The assignment shall be in writing, 2) The position to which the employee is assigned must be a budgeted position, and 3) The employee is assigned to perform the duties of a higher classification for longer than ten (10) consecutive working days or eighty (80) hours, whichever is greater.

Staff concludes the following: The Fiscal Year 1996-97 Budgeted Positions Level Chart Report indicates four (4) full time positions in class 7345 Electrician budgeted at Recreation & Park Department. None of these positions are the vice budgeted position. Although the request appears necessitated due to understaffing, the circumstances do not meet the eligibility requirements and criteria for Acting Assignment Pay in accordance with the IBEW, Local 6, Memorandum of Understanding. Therefore, the Acting Assignment Pay request for Ron Perez, 7510 Lighting Fixture Maintenance Worker is denied.

If you have any questions, concerns or need further guidance regarding this matter please contact Carole Van Dyke of the Compensation unit staff of the Employee Relations Division at 557-4869.

Very truly yours,

Janet Bosnich-Seijas
Compensation Manager
Employee Relations Division

JBS/CVD/vd

c: Marilyn Reverente, Principal Payroll/Personnel Clerk, R&P
PPSD/Controller's Office
File

ANDREA R. GOURDINE
HUMAN RESOURCES DIRECTORMEMORANDUM
Via Facsimile

DATE: July 2, 1998

TO: Harvey M. Rose
Budget Analyst

FROM: Paula Schiff
Principal Employee Relations Representative

RE: DHR Approval of the Ron Perez Grievance Settlement

The following will explain why the Department of Human Resources denied the Acting Assignment Pay request from the Recreation and Park Department for Mr. Perez when the request was made through its Compensation Division, but later approved the request when the matter was presented to the Employee Relations Division as a settlement to a grievance.

Administratively, the request for Acting Assignment Pay must satisfy all the requisite criteria. In this case, the departmental request for Acting Assignment Pay did not meet all the criteria. The criteria requires a vacant approved position in the class to which assigned. There was no vacant budgeted 7345, Electrician, position to which the employee could have been assigned. DHR had no authority to authorize the position and the request for Acting Assignment Pay was denied.

Pursuant to the MOU, the employee may appeal the denial of Acting Assignment Pay through the grievance procedure. Under this process, Acting Assignment Pay may be granted even if one or more of the criteria are not met. According to the Recreation and Park Department, Mr. Perez was assigned to perform the duties of a 7345, Electrician, from March 10, 1997 through October 31, 1997. Under this standard Mr. Perez' claim for Acting Assignment Pay can be authorized.

DHR, therefore, approved Recreation and Park Department's proposed settlement of this claim rather than advance the matter to arbitration.

In summary, there are two different standards for addressing Acting Assignment Pay claims, one administrative and one contractual. This claim failed to satisfy the more rigorous administrative standard, but met the more lenient contractual standard.

Item 6 – File 98-890

- Department:** Department of Parking and Traffic (DPT)
- Item:** Ordinance amending Article 12, Chapter XI, Part II of the Municipal Code (Traffic Code) by amending Section 202.C thereto, providing for an increase in contractor permit fees.
- Description:** Pursuant to Article 12, Chapter XI, Part II of the Traffic Code, upon written application, the Director of Parking and Traffic may issue annual nontransferable parking permits to licensed contractors (no more than eight such parking permits per licensed contractor, with some exceptions) for display upon motor vehicles used in the course of construction services, pest control services, and construction jobbing work (trades such as plumbers or electricians) within a parking meter zone. Such permits shall be issued for a period of 12 consecutive months that begin, in any calendar year, on June 1st, and any vehicle displaying such a parking permit may be parked in a parking meter zone without the deposit of coins in the applicable meter.
- Currently, the fee for such a parking permit is \$255 if purchased in the first six months of the permit year and \$175 if purchased in the last six months of the permit year.
- The proposed resolution would increase the fee for nontransferable parking permits to licensed contractors to be used for construction services, pest control services, and construction jobbing work. The fee for a parking permit purchased in the first six months of the permit year would be increased by \$70, from \$255 to \$325, or approximately 27%, and the fee for a permit purchased in the last six months of the permit year would be increased by \$50, from \$175 to \$225, or approximately 29%.
- Comment:** 1. According to Ms. Kathryn Hile of DPT, the Department expects to issue 1,847 such nontransferable parking permits to contractors in FY 1997-98, with total fees of \$462,119 collected by DPT. Under the proposed ordinance, in FY 1998-99, DPT estimates that based on

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BUDGET ANALYST

Memo to Finance Committee
July 8, 1998 Finance Committee Meeting

issuance of 1,847 permits, the same number of nontransferable permits issued to licensed contractors in FY 1997-98, DPT would realize an estimated \$589,193 in fees, or an increase of \$127,074 over FY 1997-98.

2. Ms. Hile notes that the last time the fees for such nontransferable parking permits issued to contractors increased was 1992.

3. The increased revenue to be realized by the proposed ordinance was included in DPT's FY 1998-99 budget.

Recommendation: Based on the Finance Committee's approval of the DPT FY 1998-99 budget, approve the proposed ordinance.

Item 7 – File 98-891

REVISED June 6, 1998

Department: Department of Parking and Traffic (DPT)

Item: Ordinance amending Article 15, Chapter XI, Part II of the San Francisco Municipal Code (Traffic Code) by amending Section 314 thereto, providing for residential parking permit fees.

Description: The proposed legislation would increase fees for residential parking permits by \$6 or 28.6 percent, from \$21 to \$27, if purchased in the first six months of the permit year, and by \$3 or 28.6 percent, from \$10.50 to \$13.50, if purchased in the last six months of the permit year.

The proposed legislation would also increase the permit fee for rental vehicles parked in a residential parking permit area by \$5 or 100 percent, from \$5 to \$10. The fee for a temporary visitors permit, for vehicles registered outside the residential parking permit area, which may be issued for a maximum period of eight weeks, would be increased by \$5 or 100 percent, from \$5 to \$10 for each consecutive two-week period.

The proposed legislation would also increase the annual fee for commercial parking permits, by \$7 or 25 percent, from \$28 to \$35 for each permit if purchased during the first six months of the permit year and by \$1 or 6.1 percent, from \$16.50 to \$17.50 if purchased during the last six months of the permit year.

Currently, \$4 of the fee, for each of the parking permits for residential parking permit areas as cited above, if issued in the first six months of the permit year and \$2 of the fee for each permit if issued in the last six months of the permit year, accrues to the Road Fund. The proposed legislation would increase the portion of the fee allocated to the Road Fund by \$1 or 25%, from \$4 to \$5 of the fee for each parking permit purchased in the first six months of the permit year. All deposits to the Road Fund from the residential parking permit fee are used to offset the costs related to the engineering studies, sign installations, and sign maintenance associated with the Residential Permit

Parking Program. The balance of such fees accrue to the General Fund.

Comment:

1. According to Ms. Kathryn Hile of DPT, the Department estimates that a total of \$1,354,245 will be collected in FY 1997-98 from residential parking permit fees, including fees for rental vehicles, visitors, and commercial parking permits. Under the proposed increases, the Department estimates that a total of \$1,767,378 would be collected in FY 1998-99 from such fees, or an increase of approximately \$413,133. The Attachment, provided by DPT, is a breakdown of (a) the present revenues collected by each type of residential parking permit fee, (b) the proposed fees and the amount of annual revenues estimated by each type of residential parking permit fee, and (c) the annual increases to be realized from each type of fee.

2. Ms. Hile notes that the last time all of the types of residential parking permit fees covered by this legislation increased was 1992.

3. The increased revenue to be realized by the proposed ordinance was included in DPT's FY 1998-99 budget.

Recommendation:

Based on the Finance Committee's approval of the DPT FY 1998-99 budget, approve the proposed ordinance.

Department of Parking and Traffic
Residential Parking Permit Fee Analysis
Proposed Fee Schedule
6/27/98

Type	Current Fee	1/2 year	Proposed Fee	1/2 year
Contractor (1)	\$255.00	\$175.00	\$325.00	\$225.00
Residential	\$21.00	\$11.00	\$27.00	\$13.50
Commercial	\$28.00	\$16.50	\$35.00	\$17.50
Temporary	\$5.00		\$10.00	

Type	No. Issued	% 1/2 year	Est. Revenue Current Fee	Est. Revenue Proposed Fee	Increase
Contractor (1)	1,847	6%	\$482,119	\$560,183	\$127,074
Residential	69,520	23%	\$1,300,024	\$1,661,180	\$361,156
Commercial	110	11%	\$2,941	\$3,638	\$697
Temporary	10,256	0%	\$51,280	\$102,560	\$51,280
Total			\$1,816,364	\$2,355,571	\$540,207
Less Contractor fees (1)			<u>462,119</u>	<u>589,193</u>	<u>127,074</u>
Total			\$1,354,245	\$1,767,378	\$413,133

(1) Refers to Item 6, File 98-890

Item 7 – File 98-891

- Department:** Department of Parking and Traffic (DPT)
- Item:** Ordinance amending Article 15, Chapter XI, Part II of the San Francisco Municipal Code (Traffic Code) by amending Section 314 thereto, providing for residential parking permit fees.
- Description:** The proposed legislation would increase fees for residential parking permits by \$6 or 28.6 percent, from \$21 to \$27, if purchased in the first six months of the permit year, and by \$3 or 28.6 percent, from \$10.50 to \$13.50, if purchased in the last six months of the permit year.
- The proposed legislation would also increase the permit fee for rental vehicles parked in a residential parking permit area by \$5 or 100 percent, from \$5 to \$10. The fee for a temporary visitors permit, for vehicles registered outside the residential parking permit area, which may be issued for a maximum period of eight weeks, would be increased by \$5 or 100 percent, from \$5 to \$10 for each consecutive two-week period.
- The proposed legislation would also increase the annual fee for commercial parking permits, by \$7 or 25 percent, from \$28 to \$35 for each permit if purchased during the first six months of the permit year and by \$1 or 6.1 percent, from \$16.50 to \$17.50 if purchased during the last six months of the permit year.
- Currently, \$4 of the fee, for each of the parking permits for residential parking permit areas as cited above, if issued in the first six months of the permit year and \$2 of the fee for each permit if issued in the last six months of the permit year, accrues to the Road Fund. The proposed legislation would increase the portion of the fee allocated to the Road Fund by \$1 or 25%, from \$4 to \$5 of the fee for each parking permit purchased in the first six months of the permit year. All deposits to the Road Fund from the residential parking permit fee are used to offset the costs related to the engineering studies, sign installations, and sign maintenance associated with the Residential Permit

Parking Program. The balance of such fees accrue to the General Fund.

Comment:

1. According to Ms. Kathryn Hile of DPT, the Department estimates that a total of \$1,816,364 will be collected in FY 1997-98 from residential parking permit fees, including fees for rental vehicles, visitors, and commercial parking permits. Under the proposed increases, the Department estimates that a total of \$2,356,571 would be collected in FY 1998-99 from such fees, or an increase of approximately \$540,207. The Attachment, provided by DPT, is a breakdown of (a) the present revenues collected by each type of residential parking permit fee, (b) the proposed fees and the amount of annual revenues estimated by each type of residential parking permit fee, and (c) the annual increases to be realized from each type of fee.

2. Ms. Hile notes that the last time all of the types of residential parking permit fees covered by this legislation increased was 1992.

3. The increased revenue to be realized by the proposed ordinance was included in DPT's FY 1998-99 budget.

Recommendation:

Based on the Finance Committee's approval of the DPT FY 1998-99 budget, approve the proposed ordinance.

**Department of Parking and Traffic
Residential Parking Permit Fee Analysis
Proposed Fee Schedule
6/23/98**

Type	Current Fee		1/2 year		Proposed Fee		1/2 year		Increase
	No. Issued	% 1/2 year	Current Fee	Est. Revenue	Current Fee	Est. Revenue	Proposed Fee	Est. Revenue	
Contractor	1,847	6%	\$255.00	\$462,119	\$325.00	\$560,103	\$225.00	\$127,074	
Residential	69,520	23%	\$21.00	\$1,300,024	\$27.00	\$1,661,180	\$13.50	\$361,156	
Commercial	110	11%	\$28.00	\$2,941	\$35.00	\$3,838	\$17.50	\$597	
Temporary	10,256	0%	\$5.00	\$51,280	\$10.00	\$102,560		\$51,280	
Total				\$1,816,364		\$2,356,571		\$540,207	

Item 8 - File 98-979

Department: San Francisco Police Department (SFPD)
Department of Real Estate (DRE)

Item: Resolution authorizing a new lease of real property at 626 Potrero Street for the Police Department.

Location: 626 Potrero Street

Purpose of Lease: To provide offices, storage, and parking for the Narcotics/Vice Division of the SFPD

Lessor: Jack M. Keeney and LaVonne Keeney

Lessee: City and County of San Francisco

No. of Sq. Ft. and Cost Per Month: 16,000 square feet of office space and storage and 16,485 square feet of parking area (32,485 square feet total) at a monthly cost of \$14,500 for office space and storage (approximately \$0.91 per square foot of office space and storage) and \$4,000 for parking (approximately \$0.24 per square foot of parking), for a total cost of \$18,500 per month, or approximately \$0.57 per square foot.

Annual Cost: \$222,000

Utilities and Janitorial Services: All costs for utilities and janitorial services would be paid by the City.

Term of Lease: The lease will commence on the date that it is approved by the Board of Supervisors and the Mayor, expected to be in July of 1998 and continue for ten years through July of 2008.

Right of Renewal: None

Source of Funds: Narcotics Forfeiture and Asset Seizure Fund in the Police Department's FY 1998-99 budget

Description: The proposed lease would provide space for the SFPD's Narcotics/Vice Division. The property consists of a two-

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story 16,000 square foot building plus 16,485 square feet of parking space which can accommodate 52 vehicles. The building's upper floor consists of 7,500 square feet of office space, and the lower level consists of 8,500 square feet of storage areas (including space for 10 additional vehicles), smaller offices (these offices are unheated and will only be used only on a temporary basis), a restroom/locker area, and a training/ meeting room.

Although the Narcotics and Vice Units are part of the same division and under the direction of one captain, they are currently located at separate sites. The 56 positions of the Narcotics Unit are currently occupying 6,500 square feet of office space owned by the Housing Authority at 1815 Egbert Street, for an average of approximately 116 square feet per employee. Lieutenant Bob Bullard of the Police Department reports that the Department is using this space in exchange for providing the Housing Authority with security in the form of two full-time officers. Attachment I, from Deputy Chief William Welch of the Police Department to Mr. Anthony J. DeLucchi of the Real Estate Department, explains that the Narcotics Division has been asked by the Housing Authority to vacate this space. The 19 positions in the Vice Unit are currently occupying 2,500 square feet of office space in the Hall of Justice, located at 850 Bryant Street, for an average of approximately 132 square feet per employee.

According to Deputy Chief John Willet of the SFPD's Investigations Bureau, the SFPD would like to consolidate the Narcotics and Vice Units at one location in order to (a) improve communication between the Narcotics and Vice Units, (b) allow staff of both units to share equipment and vehicles, and (c) facilitate the Division's undercover operations. In addition, Deputy Chief Willet advises that the relocation of the Narcotics and Vice Units to 626 Potrero Street would help alleviate overcrowding at the Hall of Justice, and that the relocation of the Vice Unit would allow staff from the Field Operations Bureau to relocate from cramped quarters within the Hall of Justice (See Attachment II).

The Narcotics/Vice Division of the SFPD has a total of 75 employees that would relocate to the proposed site at 626 Potrero Street with 7,500 square feet of office space, for an average of approximately 100 square feet per employee, which the SFPD considers to be adequate.

Comments:

1. The Police Department advises that the Narcotics Unit requires secure space for approximately 50 vehicles and the Vice Unit requires space for approximately 10 vehicles. According to Mr. Ken Chopping of the Real Estate Department, while the outdoor parking areas only have room for 52 vehicles, the storage area located in the lower level of the building has room for 10 additional vehicles, for a total of 62 vehicles.
2. Mr. Chopping advises that the proposed monthly lease of \$14,500 for office space and storage (approximately \$0.91 per square foot of office space and storage) and \$4,000 for parking (approximately \$0.24 per square foot of parking), for a total cost of \$18,500 per month, or approximately \$0.57 per square foot, represents fair market value.
3. The City will be responsible for tenant improvements required for its use including office modifications, estimated by the Police Department to cost \$150,000, and included in the Department's 1998-99 budget.

Recommendation: Approve the proposed resolution.



POLICE DEPARTMENT
CITY AND COUNTY OF SAN FRANCISCO

THOMAS J. CAHILL HALL OF JUSTICE
850 BRYANT STREET
SAN FRANCISCO, CALIFORNIA 94103

FRED H. LAU
CHIEF OF POLICE

February 20, 1998

RECEIVED
REAL ESTATE DEPT.

FEB 24 1998

Mr. Anthony J. DeLucchi
Director of Property
Real Estate Department
25 Van Ness Avenue, Suite 400
San Francisco, CA 94102

Dear Mr. DeLucchi,

The Police Department has been recently notified by the Housing Authority that the Narcotics Division must vacate the space they currently occupy at 1815 Egbert Street. The Police Department has investigated the possibility of relocating the unit to Treasure Island, but after evaluation we have deemed that site unsuitable.

The Narcotics Division requires secure space for approximately 50 employees and parking for 50 vehicles. Due to the substantial cost of telecommunications and computer wiring, it is desirable to obtain a long-term location.

I request the assistance of the Real Estate Department in securing a suitable location. I appreciate your consideration in this matter.

Sincerely,

A handwritten signature in dark ink, appearing to read "William N. Welch".

William N. Welch
Deputy Chief
Administration



POLICE DEPARTMENT
CITY AND COUNTY OF SAN FRANCISCO

THOMAS J. CAHILL HALL OF JUSTICE
850 BRYANT STREET
SAN FRANCISCO, CALIFORNIA 94103

FRED H. LAU
CHIEF OF POLICE

June 25, 1998

Mr. Harvey Rose
Board of Supervisors Budget Analyst
1390 Market St. Suite 1025
San Francisco, California 94102

Dear Mr. Rose:

During the mid 1980s the entire Narcotics/Vice Division of the Police Department was housed at 1815 Egbert St., property leased by the City from HUD. Approximately ten years ago HUD took back some of the property which did not leave enough office space for both the Narcotics and Vice Units. As a result, Vice relocated to the Hall of Justice.

There are several reasons why it would be advantageous for the Narcotics and Vice Units to reunite at a common location. Currently, the Commanding Officer of the Division must shuttle back and forth to visit the members of the two units that report to him. Relocating these units to the Potrero Avenue site would mean closer supervision and better communication among management staff. Secondly, both Narcotics and Vice are involved in undercover operations. Working at the same location would allow members to share equipment, vehicles and occasionally personnel. Another reason why moving from the Hall of Justice is important for Vice officers is their need to remain "undercover." It is vital that they be seen as little as possible in a public police facility such as the Hall of Justice. Finally, the area at the Hall of Justice currently occupied by Vice is desperately needed for office space by the Field Operations Bureau. FOB staff members are currently working in very cramped quarters.

For years our Department has been hoping to reunite the Narcotics/Vice Division. The Potrero St. building offers an ideal location at a reasonable price. If you or your staff members have any questions concerning the proposed move please do not hesitate to call.

Sincerely,

A handwritten signature in dark ink, appearing to read "John E. Willet".

JOHN E. WILLET
Deputy Chief
Investigations Bureau

Item 9 - File 98-986

Department: Department of Public Health (DPH)

Item: Resolution authorizing a new lease of real property at 650 Fifth Street for the Department of Public Health.

Location: 650 Fifth Street

Purpose of Lease: For use by the Forensic Services Division of the Department of Public Health (DPH).

Lessor: Townsend Street Associates, LLC

Lessee: City and County of San Francisco

**No. of Sq. Ft. and
Cost Per Month:** Approximately 3,060 square feet at a monthly base rent of \$4,590, or \$1.50 per square foot.

Annual Cost: \$55,080

**Utilities and Janitor
Provided by Lessor:** Electricity is paid by the City, estimated to cost \$125 per month; all other costs are paid by the Landlord.

Term of Lease: The proposed lease would commence on the later of either the date that the Landlord satisfactorily completes the required leasehold improvements to the additional space, estimated to be in August, 1998, or upon approval by the Board of Supervisors and the Mayor, and would expire June 30, 2003 (approximately five years).

Right of Renewal: None

Source of Funds: DPH's FY 1998-99 budget (General Fund)

Description: The proposed new lease would enable DPH to relocate the administrative offices of the Forensic Services Division, currently located at 1380 Howard Street. According to Mr. Frank Patt of the Forensic Services Division of DPH, the relocation would help to alleviate overcrowding at 1380 Howard Street, and would enable the Forensic Services Division to consolidate its staff at one location and to be in

close proximity to the Hall of Justice and the Sheriff's jail facilities.

According to Mr. Patt, there are currently 11 Forensic Services staff members at 1380 Howard Street, plus an additional four staff members who spend approximately one-third of their time at 1380 Howard Street (the remaining two-thirds of their time is spent at various jail facilities). According to Mr. Mark Zuffo of the Real Estate Department, these 15 staff members occupy approximately 2,000 square feet at 1380 Howard Street, for an average of approximately 133 square feet per employee. The 1380 Howard Street facility is also occupied by the Mental Health and Substance Abuse Divisions of DPH.

According to Mr. Patt, the 15 Forensic Services staff members would be relocated to the proposed new space at 650 Fifth Street and would have an average of 204 square feet per employee. In addition, Mr. Patt advises that three interns will be working part-time at 650 Fifth Street.

Comments:

1. According to Mr. Zuffo, the lessor will make tenant improvements to the premises, at no cost to the City. These improvements include constructing offices, painting, and carpeting at an estimated cost of \$55,000.

2. According to Mr. Zuffo, the proposed rent of \$1.50 per square foot represents the fair market rent for this space.

Recommendation: Approve the proposed resolution.

Item 10 – File 98-995

Department: Mayor's Office

Item: Ordinance amending the Municipal Code, Part III, Article 7 by amending Section 515.01 to delete the allocation of City funding for the Mayor's Office of Protocol.

Description: In accordance with Proposition F, which was approved by the San Francisco electorate in June of 1998, the proposed ordinance would amend the Municipal Code, Part III, Article 7, Section 515.01 by deleting the City's allocation of Hotel Tax monies to the Mayor's Office of Protocol.

In the FY 1998-99 budget, the Mayor's Office of Protocol was originally allocated \$1,612,500 of Hotel Tax monies. Additionally, \$40,000 from the Mayor's Special/Protocol Fund, which is supported by the General Fund, allocates \$15,000 to protocol activities, for a total budget for the Mayor's Office of Protocol of \$1,637,500. The remaining \$25,000 (\$40,000 less \$15,000) in the Mayor's Special/Protocol Fund is allocated to other special projects conducted by the Mayor's Office.

In response to the passage of Proposition F, the Finance Committee has recommended the deletion of the \$1,612,500 in Hotel Tax monies from the Mayor's FY 1998-99 budget, which had been allocated to the Mayor's Special/Protocol Fund budget prior to the passage of Proposition F. According to Mr. John Madden of the Controller's Office, the remaining \$15,000 allocation to the Mayor's Office of Protocol from the Mayor's Special/Protocol Fund will be administratively deleted by the Controller's Office. Such a technical adjustment, in addition to this proposed legislation, would bring the City into compliance with the provisions of Proposition F, which states that "the positions and appropriations of the office of protocol are hereby repealed and abolished."

Comment: This proposed ordinance would codify that Hotel Tax monies would no longer be allocated to the Mayor's Office of Protocol.

Memo to Finance Committee
July 8, 1998 Finance Committee Meeting

Recommendation: Based on the Finance Committee's previous recommendation to delete the allocation of Hotel Tax Funds from the FY 1998-99 budget of the Mayor's Office of Protocol, approve the proposed ordinance.

Item 11 – File 98-943

Department: Public Utilities Commission (PUC)

Item: Ordinance appropriating \$2,300,00 from Water Department operating budget fund balance to Claims and Judgments and authorizing settlement of litigation between Hefter, et al. and the City and County of San Francisco (Alameda Superior Court Case No. 786568).

Amount: \$2,300,000

Source of Funds: Water Department Operating Budget

Description: The proposed supplemental appropriation ordinance would serve the dual purpose of appropriating \$2,300,000 to settle litigation against the City as well as authorizing the City Attorney to settle the litigation between Hefter, et al. and the City and County of San Francisco, Alameda Superior Court No. 786568.

In the spring of 1995, earth movement began on Rainbow Drive, part of which is owned by the City, in an unincorporated area of San Mateo County between Rainbow Drive and Polhemus Road. The earth movement greatly accelerated in December of 1996 and January of 1997, and resulted in severe damage to (1) two single family residences, at 1406 and 1412 Rainbow Drive, which resulted in the closure of San Mateo County's Polhemus Road, and (2) the undeveloped hillside, a portion of which is owned by the City, which now threatens the structural integrity of the City's 96 inch diameter Crystal Springs Bypass Water Pipeline located beneath Polhemus Road.

This proposed settlement is a cost sharing agreement with San Mateo County in which the City would pay \$2,300,000 and San Mateo County would pay \$3,100,000, for a total payment of \$5,400,000 to the Trustee, Mr. Anthony Marsh of the law firm Morgan, Franich, Fredkin & Marsh. In turn, the Trustee would pay the contractor, Soil Engineering Construction, Inc., to (1) purchase the residences located at 1406 and 1412 Rainbow Drive, in order to compensate the owners for damage to their real

BOARD OF SUPERVISORS
BUDGET ANALYST

property, (2) pay the homeowners for all claims of damages, attorney's fees and other costs as a result of this subject litigation, and (3) completely repair the hillside, with substantial completion on or before November 15, 1998.

In consideration for the settlement and payment by San Francisco and San Mateo County of the settlement amount totaling \$5.4 million, the subject litigation and all cross complaints will be dismissed with prejudice.

Comments:

1. According to Mr. Joshua Milstein of the City Attorney's Office, the proposed settlement agreement provides that the City will pay the settlement amount of \$2,300,000 in installments, without interest, from Water Department revenue. The City's first payment in the amount of \$400,000 is due on July 24, 1998. The City's second payment of \$500,000 is due on July 30, 1998. The remaining amount will be paid in two equal installments of \$500,000 at the end of August and September, and a final \$400,000 payment at the end of October.

2. Mr. Milstein reports that the PUC has issued a resolution recommending approval of the proposed settlement agreement.

Recommendation:

Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Item 12 – File 98-978

Department: Public Utilities Commission (PUC)

Item: Ordinance appropriating \$4,907,500 from the Clean Water Program Fund balance to Claims and Judgements and authorizing settlement of litigation between Howard and Iran Billman and State Farm General Insurance Company and the City and County of San Francisco, Superior Court Case No. 980-740.

Amount: \$4,907,500

Source of Funds: PUC Clean Water Program

Description: This proposed ordinance would serve the dual purpose of appropriating \$4,907,500 to settle litigation against the City as well as authorizing the City Attorney to settle the litigation with the plaintiffs (1) Howard and Iran Billman with a payment by the City to the Billmans of \$3,065,000 and (2) State Farm Insurance Company with a payment by the City to State Farm of \$1,842,500.

On December 11, 1995, the sandy soil underlying the hillside between 24th Avenue and El Camino del Mar in the West Clay Park district of the City was eroded by storm water flowing from a failed brick sewer that crossed beneath the slope. The erosion resulted in the loss of (a) one single family residence at 125 El Camino del Mar and (b) the loss of a neighboring garage. The erosion also undermined several other properties, portions of El Camino del Mar, 24th Avenue, the Presidio, and the brick sewer itself.

The PUC declared an emergency on December 11, 1995. The Board of Supervisors approved a resolution authorizing the emergency repair work in January of 1996 (Resolution No. 84-96).

In consideration for the proposed settlement payment, the Billmans have agreed to transfer to the City title in fee, sole ownership and possession of the Billmans' real property, located at 125 El Camino del Mar, and the Billmans and State Farm have agreed to dismiss with

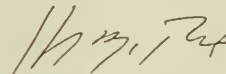
BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Finance Committee
July 8, 1998 Finance Committee Meeting

prejudice the City from the referenced litigation, to fully release the City from all claims arising from the December 11, 1995 Seacliff incident, and to assign to the City all the claims that the Billmans and State Farm have against co-defendants to the action.

Comment: According to Ms. Louise Simpson of the City Attorney's Office, if the Finance Committee needs additional information regarding the basis for the proposed settlement, such information should be addressed by the City Attorney's Office in closed session.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.



Harvey M. Rose

cc: Supervisor Teng
President Kaufman
Supervisor Newsom
Supervisor Ammiano
Supervisor Bierman
Supervisor Brown
Supervisor Katz
Supervisor Leno
Supervisor Medina
Supervisor Yaki
Supervisor Yee
Clerk of the Board
Controller
Gail Feldman
Matthew Hymel
Stephen Kawa
Ted Lakey

BOARD OF SUPERVISORS
BUDGET ANALYST

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5/98

MINUTES
FINANCE COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO
REGULAR MEETING

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WEDNESDAY, JULY 15, 1998 - 1:00 P.M.

VETERANS BUILDING
401 VAN NESS AVENUE
ROOM 410

MEMBERS: SUPERVISORS MABEL TENG, BARBARA KAUFMAN, GAVIN NEWSOM

CLERK: JONI BLANCHARD

Meeting Commenced: 1:05 p.m.

CONSENT CALENDAR

1. All items listed hereunder constitute a Consent Calendar, are considered to be routine by the Committee and will be acted upon by a single, roll-call vote of the Committee. There will be no separate discussion of these items unless a member of the Committee or the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

- a. File 98-0697. [Reserved Funds, Municipal Railway] Hearing to consider release of reserved funds, Municipal Railway (Federal Grant, Res. No. 3-92), in the amount of \$2,000,000, to complete implementation activities for the MUNI Woods Motor Coach Division Fuel and Wash Rehabilitation Project. (Municipal Railway)

SPEAKERS: None.

ACTION: Release of \$2,000,000 approved. Filed.

- b. File 98-0981. [Reserved Funds, Recreation and Park Department] Hearing to consider release of reserved funds, Recreation and Park Department, in the amount totaling \$1,787,950 (\$893,583 from 1987 Park Bond, Ordinance No. 256-91, and \$500,000 gift from California Center Partners, plus \$394,367 accrued interest as of April 30, 1998, Resolution No. 505-89) to fund the Portsmouth Square-Phase 3 Improvement Project. (Recreation and Park Department)

SPEAKERS: None.

ACTION: Release of \$1,787,950 approved. Filed.

- c. File 98-0982. [Reserved Funds, Recreation and Park Department] Hearing to consider release of reserved funds, Recreation and Park Department, in the amount totaling \$599,200 (1987 Park Bond, Ordinance No. 256-91), to fund the construction of the John McLaren Park Amphitheater Renovation Project. (Recreation and Park Department)

SPEAKERS: None.

ACTION: Release of \$599,200 approved. Filed.

- d. File 98-1071. [Reserved Funds, Port Commission] Hearing to consider release of funds, Port Commission, in the amount of \$132,856.88 (San Francisco Harbor Operating Fund Loan Revenue, Ordinance No. 40-98), to fund the costs for the design and construction of the Hyde Street Fishing Harbor. (Port Commission)

SPEAKERS: None.

ACTION: Release of \$132,856.88 approved. Filed.

- e. File 98-1069. [Emergency Repair Work, PUC-Water Department] Resolution approving the expenditure of funds for emergency work for operational costs, watershed damage and water treatment costs associated with El Nino storms (estimated at \$1,100,614). (Public Utilities Commission)

SPEAKERS: None.

ACTION: Recommended.

REGULAR CALENDAR

2. File 98-1066. [Airport Revenue Bonds] Resolution approving the issuance of up to \$1,400,000,000 aggregate principal amount of San Francisco International Airport Second Series Revenue Refunding Bonds for the purpose of refinancing certain outstanding 1991 Resolution Bonds and Subordinate Bonds of the Airport Commission issued for the purpose of financing or refinancing certain capital improvements at San Francisco International Airport; approving the maximum interest rate thereon; approving the time for sale of Refunding Bonds as ending December 31, 2001; and approving a maximum number issues and final maturity date of the sale of Refunding Bonds not later than May 1, 2032. (Airport Commission)

SPEAKERS: Harvey Rose, Budget Analyst; Jon Ballesteros, S.F.
International Airport - support.

ACTION: Hearing held. Recommended.

3. File 98-0934. [IHSS Contract with Addus Healthcare] Resolution approving the contract between the City and County of San Francisco and Addus Healthcare for the provision of In-Home Supportive Services for the period from August 1, 1998 to June 30, 2001, with a possible renewal for one year, in the amount of \$14,888,844. (Supervisor Teng)
(Consideration continued from 7/8/98)

SPEAKERS: Harvey Rose, Budget Analyst; Wil Lightborne, Dept. of Human Services - support.

ACTION: Hearing held. Recommended.

NOTE: Supervisor Teng replaced Dept. of Human Services as sponsor.

4. File 98-0935. [IHSS Contract with IHSS Consortium of S.F.] Resolution approving the contract between the City and County of San Francisco and the IHSS Consortium of San Francisco for the provision of In-Home Supportive Services for the period from August 1, 1998 to June 30, 2001, with a possible renewal for one year, in the amount of \$16,132,813. (Supervisor Teng)
(Consideration continued from 7/8/98)

SPEAKERS: Harvey Rose, Budget Analyst; Wil Lightborne, Dept. of Human Services - support.

ACTION: Hearing held. Recommended.

NOTE: Supervisor Teng replaced Dept. of Human Services as sponsor.

5. File 98-1062. [Court Compensation] Ordinance setting schedules of compensation and other economic benefits for fiscal year 1998-1999 for certain classifications of persons employed by the Municipal Court for the City and County of San Francisco. (Municipal Court)

SPEAKERS: Harvey Rose, Budget Analyst; Judge Donaldson, Municipal Court - support.

ACTION: Hearing held. Amended on page 1, line 19 after "Appendix 1" to replace "attached hereto" with "in File 98-1062." and to add the following language: "The general funds of the City and County of San Francisco shall not be used to fund any of the salary increases or benefits referred to in this ordinance.". Recommended as amended.

6. File 98-1022. [Property Lease-City of Santa Clara] Resolution authorizing an assignment, assumption and amendment of a 40-year lease of Public Utilities land located in the City of Santa Clara for parking and landscaping from Larvan Properties, Assignor, to MELP VII, Assignee. (Public Utilities Commission)

SPEAKERS: Harvey Rose, Budget Analyst; Gary Dowd, PUC - support.

ACTION: Hearing held. Consideration continued to 7/29/98.

7. File 98-1031. [Sale of Surplus Property - Sunol Aqueduct] Resolution authorizing the sale of Public Utilities Commission surplus real property (approximately 1.47 acres) identified as a portion of the Sunol Aqueduct easement located near Fremont, Alameda County, California to Mission Clay Products Company; also see File 172-96-5. (Public Utilities Commission)

SPEAKERS: Harvey Rose, Budget Analyst; Tony DeLucchi - Real Estate Dept. - support.

ACTION: Hearing held. Recommended.

8. File 98-1033. [Sale of Surplus Property - Sunol, Alameda County] Resolution authorizing the sale of 11,240 square feet of land of Public Utilities Commission surplus property identified as a portion of Assessor Parcel No. 96-115-6-1 located in Sunol, Alameda County, California to the State of California. (Public Utilities Commission)

SPEAKERS: Harvey Rose, Budget Analyst; Tony DeLucchi - Real Estate Dept. - support.

ACTION: Hearing held. Recommended.

9. File 98-1067. [Outreach Newspapers] Resolution designating the Bay View, Inc. to be outreach newspaper of the City and County of San Francisco for the African-American community; designating the China Press to be outreach newspaper of the City and County of San Francisco for the Chinese Community; and designating the El Latino to be outreach newspaper of the City and County of San Francisco for the Hispanic community, commencing _____, for outreach advertising. (Purchasing Department)

SPEAKERS: None.

ACTION: Consideration continued to 7/29/98.

10. File 98-1068. [Outreach Newspaper] Resolution designating the San Francisco Bay Times for outreach advertising for the City and County of San Francisco for the Lesbian/Gay/Bisexual Community beginning _____, and until such time that a periodical can be designated as the official outreach periodical for the Lesbian/Gay/Bisexual community. (Purchasing Department)

SPEAKERS: None.

ACTION: Consideration continued to 7/29/98.

11. File 98-1073. [Sale of Surplus City-Owned Property] Resolution confirming sale of surplus City-owned property under the jurisdiction of the Department of Public Works; Assessor's Block 3807, Lot 12, 7th and Channel Streets & Assessor's Block 5067, Lot 3, San Bruno Avenue near Campbell Avenue. (Real Estate Department)

SPEAKERS: Harvey Rose, Budget Analyst; Tony DeLucchi - Real Estate Dept. - support.

ACTION: Hearing held. Amended on page 2, line 5 after "Works" to replace "Realty Trust Account" with "Real Property Fund."; amended on page 2, beginning on line 5 to delete "to be used in part by DPW for relocation of its Bureau of Street Use and Mapping in closer proximity to the Departments of Building Inspection and City Planning and for the relocation of other Bureaus to improve customer service and operational efficiency." Recommended as amended.

12. File 98-1085. [Procurement] Ordinance amending Administrative Code Section 21.46 to authorize the Purchaser to purchase goods and services under contracts executed by the State of California or the United States of America. (Supervisor Katz)

SPEAKERS: Harvey Rose, Budget Analyst; Steve Nelson, Administrative Services Dept. - support; Ed Lee, Purchaser - support.

ACTION: Hearing held. Amendment of the Whole (with new title) adopted. (See new title). Recommended as amended.

New Title: [Procurement] Ordinance amending Administrative Code Section 21.46 to authorize the Purchaser to purchase goods and services under contracts executed by the State of California. (Supervisor Katz)

VOTE ON ALL ITEMS WAS 3-0.

Meeting Adjourned: 1:55 p.m.

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CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

July 10, 1998

TO: Finance Committee

FROM: Budget Analyst *Recommendations for meeting of...*

SUBJECT: July 15, 1998 Finance Committee Meeting

Item 1a - File 98-697

Department: Municipal Railway (MUNI)
Public Utilities Commission (PUC)

Item: Hearing to consider the release of reserved funds in the amount of \$2,000,000 for MUNI to complete implementation activities for the MUNI Woods Motor Coach Division Fuel and Wash Rehabilitation Project.

Amount: \$2,000,000

Description: In January of 1992, the Board of Supervisors approved a resolution (File 94-91-8) authorizing the Public Utilities Commission (PUC) to apply for, accept, and expend Federal Section 9 Operating Assistance funds in the amount of \$7,532,454 and Urban Mass Transit Administration (UMTA) Section 9 Formula Assistance funds in the amount of \$26,819,276, plus \$6,704,819 in required State and/or local match funds, for a total of \$41,056,549 for four MUNI capital improvement projects. Of the \$41,056,549, a total of \$33,524,095 was placed on reserve, pending submission of budget details. Of the \$33,524,095 reserved, \$5,381,000 was reserved for Facilities Rehabilitation Projects. Of the \$5,381,000, \$2,416,801 remains on reserve.

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MUNI is now requesting that the Board of Supervisors release \$2,000,000 of the \$2,416,801 remaining on reserve for Facilities Rehabilitation for the MUNI Woods Motor Coach Division Fuel and Wash Rehabilitation Project (Project). The Project would remove 12 existing underground storage tanks located at 1095 Indiana Street, 3 of which have leaked, and remove the contaminated soil around these tanks. Attachment I, provided by MUNI, contains a description of the project.

Budget:	MUNI – Design/Construction	\$166,700
	Estimated Construction Contract	1,500,000
	Contingency	<u>333,300</u>
	Total	\$2,000,000

Attachment II provided by MUNI contains budget detail estimates to support the summary budget shown above.

Comments:

1. As shown in Attachment I, provided by Mr. Robert Rincon of MUNI, the subject storage tanks are not in compliance with Federal regulations because they have only a single wall. Mr. Rincon further advises that the removal of the subject storage tanks would insure that MUNI is in compliance with the Federal Hazardous and Solid Waste Amendments to the Resource Conservation and Recovery Act (Code of Federal Regulations Part 40 Section 280) which mandates that all storage tanks that are not in compliance be removed by December 22, 1998.
2. Mr. Rincon reports than an invitation for bids to select a contractor will be issued in July of 1998 and it is expected that a contractor will be selected by August of 1998. Mr. Rincon estimates that the work will be completed by March of 1999.

Recommendation: Approve the requested release of reserved funds.

BOARD OF SUPERVISORS
BUDGET ANALYST



To: Laura Ronneberg

From: Robert Rincon

Date: July 6, 1998

Subject: Woods Tank Removal

This project is to remove existing underground storage tanks (USTs) and mitigate contaminated soil around the tanks at the Woods Maintenance Facility.

The UST for petroleum products is regulated under the Federal Hazardous and Solid Waste Amendments to the Resource Conservation and Recovery Act, and the Code of Federal Regulations, Part 40, Section 280. Authority to implement federal laws is delegated to the California State Water Resources Control Board and the San Francisco Department of Public Health.

The existing USTs are composed of single-wall tanks that do not meet federal requirements. It is imperative that Muni decommission and remove these tanks by December 22, 1998 to avoid penalties of \$15,000 per tank per day. Three of the seven underground diesel tanks have already been abandoned in place due to leaks.

The work to be performed under the contract documents includes: setup an interim fueling facility; decommission and remove twelve USTs; and remediate contaminated soils around the tanks.

Woods Tank Removal and Soil Remediation	Budget	Labor Cost Breakdown			
		Labor (Title / Classification)	Hourly Rate	Hours	Total
Project Management	\$20,700	Project Manager / 5504 Subtotal	84.8	244	\$20,691 \$20,691
Engineering Support	\$26,000	Civil Engineer / 5208 Assoc Mech Engineer / 5254 Subtotal	79.03 66.5	194 160	\$15,332 \$10,640 \$25,972
Construction Management	\$120,000	Sr. Civil Engineer / 5210 Civil Engineer / 5208 Construction Inspector / 6318 Subtotal	89.13 79.03 63.63	40 816 816	\$3,565 \$64,488 \$51,922 \$119,976
		Total Labor			\$166,639
Construction Contract	\$1,500,000	Interim Fueling Facility Decommission Tanks Remediate Contaminated Soils Total Estimate			\$350,000 \$550,000 \$600,000 \$1,500,000
Contingency	\$333,361	Lump Sum Estimate			333,361
Total	\$2,000,000				2,000,000

Items 1b and 1c – Files 98-981 and 98-982

Department: Recreation and Park

Item: Hearing to consider the release of \$599,200 in reserved funds for the John McLaren Park Amphitheater Renovation Project and the release of \$1,787,950, for the construction of the Portsmouth Square-Phase 3 Improvement Project.

**Amount and Source
of Funds:**

1987 Park Improvement Bond Funds:	
John McLaren Park	\$599,200
Portsmouth Square	<u>769,873</u>
Subtotal	\$1,369,073
California Center Partners (CCP)	
Gift-Portsmouth Square	500,000
Interest Accrued on CCP Gift	
As of July 15, 1998-	
Portsmouth Square	<u>518,077</u>
Total	<u>\$2,387,150</u>

Description: On June 24, 1991, the Board of Supervisors appropriated \$7,648,988 for various capital improvement projects associated with the 1987 Improvement Park Bond, including the John McLaren Park Amphitheater Renovation Project and the Portsmouth Square-Phase 3 Improvement Project. Of this amount, \$5,248,650 was placed on reserve, pending the submission of budget details.

On July 3, 1989, the Board of Supervisors accepted \$500,000 from California Center Partners (CCP), the successor to Norland Properties, as a gift (File 38-89-15) to be deposited into the Open Space Acquisition and Park Renovation Fund to be used for the Portsmouth Square-Phase 3 Improvement Project. This gift was offered in order to meet the terms of a settlement agreement between Norland Properties and San Franciscans for Reasonable Growth. San Franciscans for Reasonable Growth had taken legal action against Norland Properties for the construction of a new hotel, located at 345 California Street, which obstructs sunlight and casts a shadow on Portsmouth Square. This \$500,000 gift was

BOARD OF SUPERVISORS
BUDGET ANALYST

intended to compensate for the shadowing of Portsmouth Square. The interest accrued from the gift was also credited toward the Portsmouth Square Project. As of July 15, 1998 the estimated accrued interest amounts to \$518,077.

File 98-981

The Recreation and Park Department (RPD) is requesting the release of \$769,873 in 1987 Park Improvement Bond proceeds, the \$500,000 CCP gift and interest accrued on the CCP gift in the amount of \$518,077, for a total of \$1,787,950, for the Portsmouth Square-Phase 3 Improvement Project including: (1) improvements to the children's play area, (2) new paving on the symmetrical circulation route throughout the plaza, and (3) construction of a small activity room underneath the Portsmouth Square pedestrian bridgeway. Attachment I, provided by RPD, contains a complete description and detailed project budget for the project.

File 98-982

The Recreation and Park Department (RPD) is requesting the release of \$599,200 in 1987 Park Improvement Bond proceeds for the John McLaren Park Amphitheater Renovation Project for: (1) electrical and plumbing upgrades to the dressing rooms, (2) minor wall modifications for maintenance storage, (3) repair and enhancement to the stage area, (4) refurbishment of audience seating, (5) drainage improvements to the immediate area, and (6) construction of a new restroom building. Attachment II, provided by RPD, contains a complete description and detailed budget for the project.

Comments:

1. Through a competitive bid process, RPD awarded a construction contract to the firm of, Competent Builders, Inc. in the amount of \$1,443,000, for the Portsmouth Square Rehabilitation Phase 3 Improvement Project. Competent Builders, Inc. submitted the low bid. Attachment III contains a list of the four bids that were submitted.

2. Through a competitive bid process, RPD awarded a construction contract to, Alpha Bay Builders, Inc. in the

BOARD OF SUPERVISORS
BUDGET ANALYST

amount of \$479,590, for the John McLaren Park Amphitheater Renovation Project. Alpha Bay Builders, Inc. submitted the lowest bid. Attachment IV contains a list of the six bids that were submitted.

Recommendation: Approve the release of reserved funds.

City and County of San Francisco

Recreation and Park Department

REVISED (2) SUMMARY SHEET

PORTSMOUTH SQUARE - PHASE 3

Project Scope

To improve the children's play area, to provide new paving on a symmetrical circulation route throughout the plaza, and to construct a small activity room underneath the Portsmouth Square pedestrian bridge way.

Budget Summary

Construction contract	\$1,443,000
15% contingency	\$216,450
Construction management (see page 2 of attachment)	
Inspections	\$106,920
Materials Testing Laboratory	\$16,300
Certified Payroll Verification	\$5,280
	\$128,500
TOTAL	\$1,787,950

Requests for Release

1) 1987 Park Bond (as per Ordinance #256-91)	\$769,873
2a) California Center Partners (CCP) gift (as per Resolution #505-89)	\$500,000
2b) Accrued interest from the CCP gift (as per Resolution #505-89)	\$518,077*
TOTAL	\$1,787,950

*Estimated accrued interest from the California Center Partners gift up to and including July 15, 1998.

MY:SiteSpecific/Portsmouth/Revised2Summary

Bureau of Construction Management
Labor Cost Estimate
Portsmouth Square Phase 3
Specification No. 7264E

Unit	Duration	Man-hours	Rate	Extension	Total
Construction Management/ Inspection					
Construction Manager (24hr/mo)	11 months	264	95	\$25,080	
Resident Engineer (101hr/mo)	11 months	1111	72	\$79,992	
Senior Clerk Typist (4hr/mo)	11 months	44	42	\$ 1,848	\$106,920
Materials Testing Laboratory					
Testing & Sampling			Lump Sum		\$ 16,300
Certified Payroll Verification					
Compliance Officer (8hr/mo)	11 months	88	60	\$ 5,280	\$ 5,280
Public Affairs					
N/A					
Site Assessment & Remediation					
N/A					
Surveys					
N/A					
Total					\$128,500

SUMMARY SHEET**JOHN McLAREN PARK AMPHITHEATER RENOVATION****Project Scope**

Electrical and plumbing upgrades to the dressing rooms, minor wall modifications for maintenance storage, repair and enhancement to the stage area, refurbishment to the audience seating, drainage improvements to the immediate area, and construction of a new restroom building.

Budget Summary

Construction contract		\$479,590
15% contingency		\$71,940
Construction management (see page 2 of attachment)		
Inspections	\$37,500	
Materials Testing Laboratory	\$8,250	
Certified Payroll Verification	\$1,920	
		\$47,670
TOTAL		\$599,200

MY:SiteSpecific/McLaren/Amphitheater/Summary

FROM :

PHONE NO. :

Jul. 09 1998 02:31PM P2

**Bureau of Construction Management
Labor Cost Estimate
McLaren Park Amphitheater
Specification No. 6529E**

Unit	Duration	Man-hours	Rate	Extension	Total
Construction Management/ Inspection					
Construction Manager (12hr/mo)	5 months	60	95	\$ 5,700	
Resident Engineer (86hr/mo)	5 months	430	72	\$30,960	
Senior Clerk Typist (4hr/mo)	5 months	20	42	\$ 840	\$37,500
Materials Testing Laboratory					
Testing & Sampling			Lump Sum		\$ 8,250
Certified Payroll Verification					
Compliance Officer (8hr/mo)	4 months	32	60	\$ 1,920	\$ 1,920
Public Affairs					
N/A					
Site Assessment & Remediation					
N/A					
Surveys					
N/A					
Total					\$47,670

City and County of San Francisco
Department of Public Works
TABULATION OF BIDS

SPEC NO.: 7264E(Rev)

TITLE: Portsmouth Square Rehabilitation
Phase III

BIDS RECEIVED: March 18, 1998

BIDDERS:
Completent Builders Inc.
Argenti & Rilly
Chiang C M Construction Inc.
Interstate H a Joint Venture

No Pref.
LBE
MBE/LBE
MBE/LBE/JV 10%

Average Bid
Engineer's Estimate:
% of Engineer's Estimate.

APPARENT LOW BIDDER:

Completent Builders Inc.
1919 Mission Street
San Francisco, CA 94103
Tel (415) 821-4571

Immediately prior to the bid opening, it was announced that the construction budget for the base bid is \$1,300,000 and the order of priorities for the Alternatives is A1, A4, A3, A5, A2 and A5.

SUBCONTRACTORS:

Armas Construction	Stone	6,000	Earth Electric	Paint	77,000
Pelto & Brak Co.	Paint	48,000	City Lumber	Supplier	85,000
Chao Plumbing	Plumbing	42,000	Rosas	Demol/Site Work	72,000
Serge's Heat	HVAC/Sheet Metal	22,500	ACIR	Concrete/Paving	243,200
J C Metal	Metal Fabric	118,000	J G Roofing	Roof	70,000
Sun East	Flooring & Carpet	11,000	Da Cone's Land	Landscaping	90,000
David O'Keefe	Playground Equip	65,000	United CA Grass	Grazing	41,000

cc: Shannon Maloney
Mark Primeau
Linda Chin

DPW Accounting
Maurice Williams
Bid Webb

Helen Liu
All Bidders

SLat

18/2/98-00

See Alternative Priorities Report.

Post-It* Fax Note		7671	Date	7/7	# of pages	1
To	Robert B. B. B.		From	Chao B. B.		
Co Opt			Co Opt	Chao B. B.		
Phone #			Phone #	558-4407		
Fax #	558-4407		Fax #			

SPEC NO.: 6529E

TITLE: McLaren Park Amphitheater
 Renovation & Restroom Construction

BIDS RECEIVED: March 4, 1998

BIDDERS:

Alpha Bay Builders, Inc.	MBE/LBE	Base Bid
Admond Construction, Inc.	MBE/LBE	479,590
Kin Wo Construction, Inc.	MBE/WBE/LBE	523,762
Cuevas & Mammon Construction	MBE/LBE	539,030
Sato's Construction	MBE/LBE	575,000
Competent Builders, Inc.	No Pref	579,900
		590,000
	Average Bid:	547,800
	Engineer's Estimate:	488,200
	% of Engineer's Estimate:	112%

APPARENT LOW BIDDER:

Alpha Bay Builders, Inc.
 1982-47th Avenue
 San Francisco, CA 94116
 Tel (415) 731-2565

SUBCONTRACTORS:

City Lumber	Supplier	32,000	Doherty Paint	Painting	15,600
Excel Plumbing	Supplier	25,000	J C Metal	Metal	55,000
Alpha Plumbing	Plumbing	42,000	Priority	Signage	15,000
Guan's Electrical	Electrical	45,000	E & J Environment	Abatement	3,000
Shannon Maloney	Harlan Kelly				
Mark Primeau	Don Eng		DPW Accounting	Helen Liu	
Linda Chin	Foon Chow		Maurice Williams	All bidders	
			Bill Webb		

cc:

SL:sl

3/4/98

Item 1d – File 98-1071

Department: Port
Department of Public Works (DPW)

Item: Hearing to consider the release of \$132,856.88 in reserved funds for the preliminary design of the Hyde Street Fishing Harbor.

Amount: \$132,856.88

Source of Funds: Loan proceeds from the California Department of Boating and Waterways

Description: On January 7, 1998, the Board of Supervisors appropriated \$3,500,000 of San Francisco Harbor Operating Fund Loan Revenue to fund the costs for the design and construction of the Hyde Street Fishing Harbor (File 101-97-44). Of this amount, \$3,200,000 was placed on reserve pending selection of contractors.

The Attachment, submitted by the Department of Public Works, lists the separate components of the project. This request would authorize the release of \$132,856.88 to fund the preliminary design of the Hyde Street Fishing Harbor. The majority of the work would be performed by the DPW with the exception of some geotechnical work being performed by Transpacific Geotechnical Consultants, Inc. (see Comment 2). The work would be divided between the DPW and the consultant as follows (further details are provided in the Attachment):

<u>Name</u>	<u>Amount</u>
DPW's Bureau of Architecture	\$91,130.00
Transpacific Geotechnical Consultants Inc.	31,500.00
DPW's Bureau of Construction Management	<u>10,226.88</u>
Total	\$132,856.88

Budget: The Attachment, submitted by DPW, is a project budget, totaling \$132,856.88, which contains the expenditure details, including the hours and hourly rates for the

BOARD OF SUPERVISORS
BUDGET ANALYST

contractor and details of in-house costs, for the preliminary design of the Hyde Street Fishing Harbor.

Comments:

1. According to Ms. Carleen Ho of the Port, the preliminary design work for the Hyde Street Fishing Harbor commenced in January 1998 and is expected to be completed by October 1998. Ms. Ho anticipates that the bid process for the construction work will commence in October/November 1998. The construction work is anticipated to commence in March 1999 and be completed by October 1999.

2. Transpacific Geotechnical Consultants, Inc. is on contract with the DPW's Bureau of Engineering on an as needed basis. Ms. Susan Yee, of the DPW, advises that the DPW has a list of four consultants who contract with the Department for geotechnical services on an as needed basis, and work is rotated amongst the four consultants.

3. Ms. Ho advises that approximately \$101,399 of the requested total of \$132,856.88 have already been expended without the prior approval of the Board of Supervisors. These funds have been expended as follows:

<u>Amount</u>	<u>Work Performed By*</u>
\$78,992	DPW's Bureau of Architecture
\$12,181	Transpacific Geotechnical Consultants Inc.
\$10,226	DPW's Bureau of Construction Management

* Work details provided in the Attachment.

Ms. Ho believes that this work commenced in approximately January 1998 and is ongoing. The work was being mistakenly funded by monies taken from a release of reserved funds totaling \$270,300, approved by the Board of Supervisors in January, 1998. The Board approved the release of these funds for concept design work on the Hyde Street Fishing Harbor by Concept Marine Associates, totaling approximately \$240,000 and for dredging work on the project by the DPW's Bureau of Construction Management, totaling approximately \$30,300. Concept Marine Associates completed 30 percent

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BUDGET ANALYST

of the design work (totaling approximately \$72,000) and \$101,399.88 of remaining funds was then mistakenly drawn upon by the DPW for the design and construction work described in the Attachment. Both the release of reserved funds of \$270,300 and the current request of \$132,856 are sourced from \$3.5 million in loan proceeds from the California Department of Boating and Waterways.

Ms. Ho advises that when this mistake was discovered in late April 1998, the Port then attempted to obtain the approval of the Board of Supervisors for the release of reserved funds totaling \$132,856.88. Ms. Ho reports that the Port was unable to have this item calendered prior to completion of the Board of Supervisors budget hearings.

4. Repayments on the \$3.5 million loan proceeds provided by the California Department of Boating and Waterways, are to commence on August 1, 2000 and due in 2028, with repayment to be made from gross revenues originating from fees and rentals charged and received by the Port for services, facilities and leaseholds provided or located with the Hyde Street Fishing Harbor. The interest rate is 4.5 percent per annum on the unpaid balance commencing with the date of each transfer of loan funds by the State.

Recommendation: Approval of the release of reserved funds totaling \$132,856.88 is a policy matter for the Board of Supervisors.

DPW - Bureau of Architecture (BOA)

11/20/96

Work performed by: **BOA Staff**

Scope of Services

List of Drawings/Scope	Description	No. of		Rate	Fee
		Dwgs	Hours		
1. Overall Site Plan		1	68	81.25	\$5,525.00
	Ramps, Disability Signage, Street Furniture, Lighting, Fencing, Bollards, Etc.	1	68	81.25	\$5,525.00
2. Site Details		1	68	81.25	\$5,525.00
3. Birdseye Perspective	Sketch	1	68	81.25	\$5,525.00
	Parking Lots including car space striping (dimensions), Disability Access, signs, street furniture	1	68	81.25	\$5,525.00
4. Site Plans		1	68	81.25	\$5,525.00
	Office/Storage Bldg includes a Partial Bldg Demo and Re-Enclosing of Bldgs, 4 Exterior Bldg Elevations, 2 Bldg Sections	2	136	81.25	\$11,050.00
5. Existing Conditions/Demolition Floor Plans	Structural floor and/or Roof Plan, Reflected Ceiling Plan/Lighting, Electrical/Mechanical Plan, Structural Sections, New Exterior Elevations, Architectural Details	2	136	81.25	\$11,050.00
6. Office/Storage Bldg		2	136	81.25	\$11,050.00
	Floor Plan/Pier Plan, Structural Framing Plan/Roof Plan, Section - Structural Bldg Sections, 4 Bldg Elevations, Plumbing Plan, Reflected Ceiling Plan/Lighting, Elec/Mech Floor Plans, Interior Elevations/ADA Requirements, Architectural Details	3	204	81.25	\$16,575.00
7. New Toilet Bldg		3	204	81.25	\$16,575.00
8. Specifications			176	81.25	\$14,300.00
9. Meetings, Coordination with Consultants/Port			56	152.77	\$8,555.00
10. 10% Handling Charge, Management/Reporting/Review and Coordination of Documents, Agency Questions not including meetings					\$7,500.00
					\$91,130.00

DPW - Bureau of Engineering (BOE)

11/27/96

Work performed by: **Transpacific Geotechnical Consultants, Inc.**

Scope of Services

List of

Drawings/Scope	Description	Hours	Rate	Fee
1. Geotechnical Engineering - Field Exploration	Permit and Inspection Fee	10	100.00	\$1,000.00
	Drilling Contractor (Including handling and mobilization charges			\$6,500.00
	Field Engineer includes sampling equipment and vehicle	25	80.00	\$2,000.00
2. Geotechnical Engineering - Office Support	Laboratory Testing	25	40.00	\$1,000.00
	Engineering Analysis and Report Preparation	105	100.00	\$10,500.00
3. Coastal Engineering	Charles I. Rauw, Consultant Including handling charges			\$4,255.00
4. Services During Construction	Attend Construction Meetings, Review and answer questions during construction	40	100.00	\$4,000.00
5. DPW Handling Charge 10%				\$2,245.00
				\$31,500.00

DPW - Bureau of Construction Management (BCM)

2/25/97

Work performed by: **BCM Staff**

Scope of Services

List of

Drawings/Scope	Description	Hours	Rate	Fee
1. Topographic and Hydrographic Survey Drawings for the Hyde Street Harbor	Survey the Site and Prepare Drawings	10 52 64 16 56	79.15 62.02 53.44 45.70 36.77	\$791.54 \$3,224.77 \$3,420.08 \$731.14 \$2,059.35
				\$10,226.88

Item 1e – File 98-1069

Department: Water Department
Public Utilities Commission (PUC)

Item: Resolution approving the expenditure of funds for operational costs, watershed damage and water treatment costs associated with the El Niño storms.

Amount: \$1,100,614

Source of funds: Water Department's Unappropriated Fund Balance

Description: This resolution would authorize the expenditure of funds totaling \$1,100,614 for El Niño storm related emergency work, including:

- (a) emergency operation of valves and patrolling of San Mateo Creek and Pilarcitos Creek in order to control Peninsula Reservoirs and minimize flood damage to nearby businesses, residences, schools and hospitals;
- (b) emergency water treatment operations;
- (c) repair of roads, culverts, debris basins and East Bay and Peninsula watershed lands damaged during storms;
- (d) removal of fallen trees from Peninsula and East Bay watersheds; and
- (e) emergency evaluation of chemical feed upgrades and improvements at the Harry Tracy Treatment Plant and Crystal Springs Pump Station to effectively and reliably treat high rate flows during periods of elevated raw water turbidity.

As a result of the El Niño storms between January and March of 1998, which damaged various Water Department facilities located in the East Bay and the Peninsula, the PUC declared an emergency on February 27, 1998. The emergency was declared in order to expedite repairs required as a result of the damage and endangerment to various Water Department facilities including, reservoirs, watershed lands and infrastructure. In accordance with Administrative Code Section 6.30, the PUC expedited contract procedures in order to commence the repair work.

Budget: A summary budget provided by the Water Department is as follows:

Labor Costs (incurred by the Water Department)	
Peninsula Watershed	\$1,108
Alameda Watershed	552
Emergency Reservoir Operations/ Monitoring of Crystal Springs Bypass	103,313
Emergency Water Treatment	641
Watershed and Road Repair	700,000
Chemical Feed Upgrades and Improvements	<u>295,000</u>
Total	\$1,100,614

Attachment I, provided by Ms. Cheryl Davis of the Water Department, contains a description and related costs for each component of these projects, totaling \$1,100,614.

Comment: 1. Attachment II provided by Mr. Joe Naras of the PUC's Water Supply and Treatment Division contains the estimated costs and estimated completion dates for the Watershed and Road Repair projects, totaling \$700,000. Mr. Naras advises that the PUC is presently obtaining bids for Watershed and Road Repair projects from contractors and expects to award contracts by July 31, 1998. Mr. Naras reports that the continuing wet weather and difficulties experienced by the PUC in finding available contractors to complete the Watershed and Road Repair projects has contributed to the delay in commencing this work.

2. The Chemical Feed Upgrades and Improvements project involved obtaining design work for two water treatment upgrades: (a) a facility which could be used to pre-treat Crystal Springs Reservoir water prior to transferring it to San Andreas Reservoir, and (b) an upgrade to the chemical feed system at the Harry Tracy Treatment Plant to improve its ability to treat high-turbidity water. Attachment III, provided by Mr. Manoucher Boozarpour of the PUC's Water Quality Bureau, contains a description of each project, the date that the work began for each project and the estimated date of completion for the \$295,000 total, for the Chemical Feed Upgrades and Improvements projects.

Recommendation: Approve the proposed resolution.

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I. WATERSHED

These labor costs were incurred by watershed and operations and maintenance staff in assessing and repairing damage to watershed lands and facilities (e.g., fallen trees, roads, and debris basins).

- A. *Peninsula Watershed*
- B. *Alameda Watershed*

EXPENDITURES

\$1,108

552

II. EMERGENCY RESERVOIR OPERATIONS/MONITORING OF CRYSTAL SPRINGS BYPASS

The labor costs were incurred by watershed staff and plumbers in monitoring of reservoir levels; operations of valves; monitoring of the effects of both planned and unplanned releases; performing surveillance at Polhemus Road in order to ensure that any leak would be detected on a timely basis; and manning a valve near Polhemus Road to ensure that water flow would be stopped on a timely basis if a leak occurred.

EXPENDITURES

\$103,313

Crystal Springs Reservoir/Pilarcitos Reservoir/Crystal Springs Bypass

III. EMERGENCY WATER TREATMENT

Treatment of San Andreas Reservoir water was difficult because of elevated turbidity levels. Additionally, the delivery of Hetch Hetchy water into San Andreas Reservoir necessitated dechlorination treatment.

Peninsula Treatment Facilities

641

TOTAL : \$105,614

Projects proceeding and Planned

LOCATION	DESCRIPTION	ESTIMATED COST	FUNDING SOURCE
A. Watershed & Road Repair			
1. Alameda Watershed (Williams Gulch Segment I & II)	Road washed out. Re-establish road and install culvert to stabilize slips and prevent erosion. summer. Approx. 750'	\$300,000	WS & TD * Operating Fund*
2. Alameda West Bridge Abutment	Erosion at the base of each piling and abutment to both bridges. Compact fill under abutment and secure with rip rap. Fill around pilings with rip rap.	\$ 50,000	" "
3. Peninsula Watershed (Upper Crystal Springs Res.)	Causeway road through sediment basin washed out. Replace culverts and road section.	\$100,000	" "
4. Peninsula Watershed Lands	Road slide failure. Rebuild road turn around and protect system pipeline.	\$50,000	" "
5. Peninsula Watershed Lands	Road collapse. Replace culvert and rebuild road crossing while protecting high pressure waters pipeline.	\$30,000	" "
6. Peninsula Watershed Stone Dam Rd.	Road slide failure and erosion. Rebuild road prism and replace culverts to carry peak flows.	\$70,000	" "
7. Peninsula Watershed	Asphalt road surface collapse. Rebuild and reduce sections of system roads and facility approaches.	\$100,000	" "
	Total	\$700,000	

* Current Services and Miscellaneous Salaries

LOCATION	DESCRIPTION	ESTIMATED COST	FUNDING SOURCE
<i>B. Chemical Feed Upgrades and Improvements</i>			
1. Harry Tracy Treatment Plant	Emergency evaluation of upgrades to existing primary coagulant, coagulant aid polymer and filter aid polymer injection/mixing systems and flocculation basins.	\$206,500	WQB * Operating Fund*
2. Crystal Springs Pump Station	Emergency evaluation of a chemical feed facility to allow for pre-treatment of Crystal Springs Reservoir water.	88,500	WQB Operating Fund*
	Total	\$295,000	

* Other Current Expenses

*WQB - Water Quality Bureau

EL NINIO STORM DAMAGE
SAN FRANCISCO WATERSHED LANDS
PROJECTS PLANNED FOR REPAIR

Location	Description	Estimated Cost	Projected Completion Date:
1. Alameda Watershed Williams Gulch Segment 1 & 2	Road washed out. Re-establish road and install culvert to stabilize slips and prevent erosion. Note: Access for construction is delayed due to limited access conditions.	\$300,000	September 30, 1998
2. Alameda West Bridge Abutment	Erosion at the base of each piling and abutment to both bridges. Compact fill under abutment and secure with rip-rap. Fill around pilings with rip-rap.	\$50,000	September 30, 1998
3. Peninsula Watershed Upper Crystal Springs Sediment Basin	Causeway road through sediment basin washed out. Replace culverts and road section. Note: Project to commence after Aug. 15 due to endangered species presence at site.	\$100,000	October 15, 1998
4. Peninsula Watershed Lands Outgoing Road	Road slide failure. Rebuild road turn around and protect system pipeline.	\$50,000	September 15, 1998
5. Peninsula Watershed Lands Old Canata Road	Road collapse. Replace culvert and rebuild road crossing while protecting high pressure water pipeline.	\$30,000	September 1, 1998
6. Peninsula Watershed Lands Stone Dam Road	Road slide failure. Rebuild road prism and replace culverts to carry peak flows.	\$70,000	September 30, 1998
7. Peninsula Watershed Lands South Access	Asphalt road surface collapse. Rebuild and reduce sections of system roads and facility approaches	\$100,000	September 15, 1998

ATTACHMENT III

**EL NINO STORM DAMAGE
TREATMENT OF HIGH TURBIDITY WATER FROM THE PENINSULA RESERVOIRS**

Location	Description	Estimated Cost	Project Start Date	Project Completion Date	Work Completed By
Crystal Springs Reservoir	Recommend and provide design for treatment options at the Crystal Springs Pump Station to allow for the pre-treatment of Crystal Springs Reservoir water	\$88,500	Feb-98	Sep-98	CH2M Hill
Harry Tracy Water Treatment Plant	Evaluate and provide recommendation for upgrading primary coagulant and coagulant-aid injection/mixing system at the HTWTP.	\$206,500	Feb-98	Sep-98	CH2M Hill

Item 2 – File 98-1066

Department: Airport

Item: Resolution approving the issuance of up to \$1,400,000,000 aggregate principal amount of San Francisco International Airport Second Series Revenue Refunding Bonds for the purpose of refinancing certain outstanding Revenue Bonds of the Airport Commission issued for the purpose of financing or refinancing certain capital improvements at San Francisco International Airport; approving the maximum interest rate thereon; approving the time for sale of Refunding Bonds no later than December 31, 2001; and approving a maximum number of issues and final maturity date of the sale of Refunding Bonds of not later than May 1, 2032.

Amount: Not to exceed \$1,400,000,000

Source of funds: San Francisco International Airport Second Series Revenue Refunding Bonds

Description: Section 4.115 of the Charter grants the Airport Commission the authority to issue Airport Revenue Bonds for Airport related purposes, subject to the approval of the Board of Supervisors. Section 2.62 of the Administrative Code provides that such Revenue Bonds shall bear a rate of interest not to exceed that rate which may be set by the Airport Commission, subject to the approval of the Board of Supervisors. The Airport Commission has set a not to exceed interest rate of 12 percent in accordance with State bond regulations. The Airport is requesting approval of the issuance of up to \$1,400,000,000 in Airport Revenue Refunding Bonds for the purpose of (1) refinancing not more than \$1,000,000,000 in outstanding San Francisco International Airport Second Series Revenue Bonds ("1991 Resolution Bonds"), (2) refinancing not more than \$400,000,000 in outstanding San Francisco International Airport Second Series Subordinate Bonds ("Subordinate Bonds")*, and (3) funding debt service reserves and paying costs of issuance, including redemption premiums and other incidental costs.

*Revenue Bonds

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The proposed resolution would authorize the Mayor, the Treasurer and other City officials to take the necessary actions to issue and sell not more than \$1,400,000,000 in San Francisco International Airport Second Series Revenue Refunding Bonds in order to refund approximately \$1,300,000,000 in outstanding bond obligations of the Airport. As a condition of issuing the proposed Revenue Refunding Bonds, the Airport would be required to realize debt service savings which are at least equal to one percent of the principal amount of the Revenue Refunding Bonds (see Comment 1). This request authorizes \$1,400,000,000 in Refunding Bonds, or \$100,000,000 more than the Revenue Bonds of \$1,300,000,000 which the Airport plans to utilize because Refunding Bond proceeds are invested in US Treasury securities, which earn less interest than the interest that must be paid on the outstanding bonds prior to their redemption. Thus the estimated amount of Refunding Bonds issued is larger than the amount of bonds that are refunded so that the total sources of funds (Refunding Bond proceeds and interest earnings) will equal the original bond proceeds and interest earnings.

The proposed resolution would also extend the Airport's TEFRA authorization. Section 147(f) of the Internal Revenue Code, originally enacted as part of the Tax Equity and Fiscal Responsibility Act of 1982 ("TEFRA"), requires the approval of the Board of Supervisors or the Mayor, for each project proposed to be financed by an issue of Revenue Bonds of the type proposed under this resolution. The current TEFRA approval for the Airport Commission's Near Term Master Plan program expires on August 22, 1998, and tax laws require that the Airport have a current TEFRA approval prior to this proposed bond sale. The proposed resolution would extend the Airport's TEFRA approval for another three years.

Comment:

1. The Airport estimates that it would realize total estimated savings of \$26,131,089 in reduced debt service costs over the next 28 years as a result of initially issuing \$500,000,000 of the proposed \$1,400,000,000 Revenue Refunding Bonds, based on an interest rate of approximately 5.0-5.25 percent on the Refunding Bonds as compared to the existing average interest rate of

BOARD OF SUPERVISORS
BUDGET ANALYST

approximately 5.9 percent on the presently outstanding bonds. As previously noted, as a condition of issuing the proposed Refunding Bonds, the Airport would be required to realize debt service savings which are at least equal to one percent of the principal amount of the Revenue Bonds which would be refunded. The estimated \$26,131,089 in reduced debt service costs equals approximately 5.2 percent of the principal amount \$500,000,000 to be issued at this time. Mr. Kuo advises that the Airport proposes to issue the remainder of \$900,000,000 of the \$1,400,000,000 Refunding Bonds when the Airport can document that additional savings would be realized by paying off the existing bonds. The Attachment provided by Mr. Kuo documents that the Airport would realize total estimated savings of \$26,131,089 over a 28-year term by issuing \$500,000,000 of Refunding Bonds at this time.

2. According to Mr. Kuo, the estimated cost of issuing the proposed Revenue Refunding Bonds, including fees for private bond counsel and financial advisors will be \$6 million and will be paid from Bond proceeds. Mr. Kuo advises that such costs would be subject to separate appropriation approval of the Board of Supervisors.

Recommendation: Approve the proposed resolution.

SAN FRANCISCO INTERNATIONAL AIRPORT

ESTIMATED DEBT SERVICE ON
NEAR-TERM MASTER PLAN AND INFRASTRUCTURE BONDS

<u>FISCAL YEAR</u>	<u>ESTIMATED DEBT SERVICE</u>	<u>EST. SAVINGS FROM INITIAL REFUNDING (1)</u>	<u>EST. DEBT SERVICE AFTER INITIAL REFUNDING</u>
1999	\$132,792,000	\$3,327,951	\$129,464,049
2000	\$175,577,000	\$872,214	\$174,704,786
2001	\$216,436,000	\$870,541	\$215,565,459
2002	\$242,554,000	\$868,041	\$241,685,959
2003	\$259,624,000	\$874,101	\$258,749,899
2004	\$270,039,000	\$870,679	\$269,168,321
2005	\$281,578,000	\$868,989	\$280,709,011
2006	\$281,774,000	\$874,286	\$280,899,714
2007	\$294,445,000	\$872,703	\$293,572,297
2008	\$294,529,000	\$873,873	\$293,655,127
2009	\$294,715,000	\$877,528	\$293,837,472
2010	\$295,234,000	\$875,308	\$294,358,692
2011	\$295,369,000	\$876,210	\$294,492,790
2012	\$295,572,000	\$871,380	\$294,700,620
2013	\$293,907,000	\$881,410	\$293,025,590
2014	\$284,944,000	\$872,598	\$284,071,402
2015	\$285,476,000	\$881,655	\$284,594,345
2016	\$285,707,000	\$879,198	\$284,827,802
2017	\$285,980,000	\$876,498	\$285,103,502
2018	\$286,252,000	\$877,648	\$285,374,352
2019	\$286,544,000	\$882,348	\$285,661,652
2020	\$284,082,000	\$882,685	\$283,199,315
2021	\$270,545,000	\$882,711	\$269,662,289
2022	\$270,954,000	\$886,212	\$270,067,788
2023	\$271,502,000	\$887,569	\$270,614,411
2024	\$269,647,000	\$882,794	\$268,764,206
2025	\$253,699,000	\$883,939	\$252,815,061
2026	\$214,430,000	\$0	\$214,430,000
AVERAGE ANNUAL DEBT SERVICE FY99-2026	\$266,925,250		\$265,991,997
ESTIMATED TOTAL SAVINGS		\$26,131,089	

(1) ASSUMES SAVINGS FROM A \$500 MILLION REFUNDING AT CURRENT INTEREST RATES

*These calculations are based on the issue of \$500 million Refunding Bonds.

30yrs.wk4

07/08/98

Items 3 and 4 - Files 98-934 and 98-935

Note: These items were continued by the Finance Committee at its meeting of July 8, 1998.

Department: Department of Human Services (DHS)

Item: **Item 3 File 98-934:** Resolution approving a contract between the City and Addus HealthCare for the provision of In-Home Supportive Services (IHSS) for the three year period from August 1, 1998 to June 30, 2001, with an option to renew for one additional year, in the amount of \$14,888,844.

Item 4 File 98-935: Resolution approving a contract between the City and the IHSS Consortium of San Francisco for the provision of IHSS for the period from August 1, 1998 to June 30, 2001, with an option to renew for one additional year, in the amount of \$16,132,813.

Contract Amounts:	Addus HealthCare	\$14,888,844
	IHSS Consortium	<u>16,132,813</u>
	Total	\$31,021,657

Source of Funds:	General Fund monies included in DHS's FY 1998-99 budget and to be included in the FY 1999-2000 and FY 2000-2001 budgets	\$ 9,306,497
	Federal and State Medicaid Funds included in DHS's FY 1998-99 budget and to be included in the FY 1999-2000 and FY 2000-2001 budgets	<u>21,715,160</u>
	Total	\$31,021,657

Description: In-Home Supportive Services (IHSS) is an entitlement program which provides funding for low-income seniors and disabled people to receive non-medical personal care and other household assistance in their homes from visiting workers. IHSS care can allow seniors and disabled persons to remain in their own homes and thereby avoid unnecessary and expensive hospitalization or institutionalization.

IHSS workers function either as (a) independent providers; (b) through a contract between DHS and the IHSS Consortium, which consists of non-profit providers of services; or (c) through a contract between DHS and Addus HealthCare, a private provider of services. The total annual

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Memo to Finance Committee
July 15, 1998 Finance Committee Meeting

IHSS hours provided by these three IHSS providers is approximately 7,270,000. Under the proposed contracts, the total annual IHSS hours of 7,270,000 would be distributed as follows: (a) independent providers – approximately 90 percent, or 6,520,000 hours; (b) IHSS Consortium – approximately five percent or 375,000 hours; and (c) Addus HealthCare – approximately five percent or 375,000 hours.

In 1994 the Board of Supervisors approved two contracts for IHSS services, one with the IHSS Consortium and one with Addus HealthCare, for the period from July 1, 1994 to June 30, 1997, with an option to renew for one year (Resolution 688-94). According to Ms. Julie Murray Brenman of DHS, a one month extension of the two contracts, to July 31, 1998, was approved by the Human Services Commission on June 25, 1998, due to a delay in receiving contract rate approval by the State. The proposed resolutions would authorize new contracts with the IHSS Consortium (File 98-935) and Addus HealthCare (File 98-934) for the period from August 1, 1998 to June 30, 2001, with an option to renew for one additional year.

Under the proposed contracts, IHSS Consortium and Addus HealthCare contract employees will receive health and other benefits as well as sick, vacation, and holiday benefits. The following table shows the proposed hourly rates, estimated number of hours and estimated total amount to be paid to each of the contractors. The hourly rates include wages paid to IHSS workers, benefits, training, travel, insurance and administrative costs.

	<u>Addus HealthCare</u>	<u>IHSS Consortium</u>
<u>FY 1998-99</u>		
Hourly rate	\$13.5878	\$14.75
Estimated # of hours*	343,750	343,750
Total amount	\$4,670,806	\$5,070,313
<u>FY 1999-2000</u>		
Hourly rate	\$13.6235	\$14.75
Estimated # of hours	375,000	375,000
Total amount	\$5,108,813	\$5,531,250
<u>FY 2000-01</u>		
Hourly rate	\$13.6246	\$14.75
Estimated # of hours	375,000	375,000
Total amount	\$5,109,225	\$5,531,250

* This represents prorated hours for the 11-month period from August 1, 1998 through June 30, 1999 (based on the annualized amount of 375,000 hours).

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The proposed FY 1998-99 hourly rate of \$13.5878 for Addus HealthCare is \$0.1522 per hour lower, or a 1.1 percent decrease, over the FY 1997-98 rate of \$13.74. The proposed FY 1998-99 hourly rate of \$14.75 for the IHSS Consortium is \$1.01 higher, or a 7.4 percent increase over the FY 1997-98 rate of \$13.74. According to Ms. Brenman, these changes in the FY 1998-99 hourly rates are due to a redistribution of hours between the two contractors. Ms. Brenman advises that, under the current contracts, the IHSS Consortium provides 150,000 hours of services and Addus HealthCare provides 600,000 hours of services. Under the proposed contracts, the IHSS Consortium and Addus HealthCare would each provide 343,750 hours of services in FY 1998-99 (375,000 hours on an annualized basis). As a result of the relative increase in the number of hours required under the IHSS Consortium contract, Addus HealthCare employees (who are paid at a higher rate than IHSS Consortium employees) are being shifted to the IHSS Consortium contract, thereby resulting in a higher hourly rate for IHSS Consortium and a lower hourly rate for Addus HealthCare.

Comments:

1. Mr. Anthony Nicco of DHS advises that, in February of 1998, DHS issued two separate request for proposals (RFPs) for the subject IHSS services, one for non-profit service providers and one for private and other providers. According to Mr. Nicco, only one firm, the IHSS Consortium, responded to the RFP for non-profits. DHS received two responses to the RFP for private and other providers. Mr. Nicco reports that Addus HealthCare submitted a bid of \$13.61 per hour. Although another firm, AJC Services, submitted a lower bid of \$13.56 per hour, AJC Services' proposal received a lower overall score from an independent review panel than Addus HealthCare's proposal, according to Mr. Nicco. Mr. Nicco advises that Addus Health Care's hourly rate of \$13.61 represents the composite rate over the three year period of the contract.

2. The contract with Addus HealthCare specifies that it shall not exceed a maximum amount of \$14,888,844 over the three year period of the contract. The contract with the IHSS Consortium specifies that it will not exceed \$16,132,813 over the three year period of the contract.

3. Mr. Nicco advises that the funding to provide health care benefits to IHSS workers contained in the Mayor's proposed

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FY 1998-99 budget is for independent IHSS workers only. IHSS workers employed under contract with Addus HealthCare and the IHSS Consortium receive health care benefits provided by those employers. Similarly, the hourly wage increase from \$6.65 to \$7.00 per hour, proposed by the Finance Committee in the FY 1998-99 budget, is for independent IHSS workers only. Mr. Nicco reports that wage rates for IHSS workers employed under contract with Addus HealthCare and the IHSS Consortium are set through separate union negotiations.

Recommendation: Based on the representations of DHS that only one firm, the IHSS Consortium, responded to the RFP for nonprofit providers and that Addus Health Care received the highest overall score among the private providers, approve the proposed resolutions.

Item 5 – File 98-1062

Department: Trial Courts

Item: Ordinance setting schedules of compensation and other economic benefits for FY 1998-99 for certain classifications of persons employed by the Municipal Court.

Description: The proposed ordinance would fix compensation for FY 1998-99 for 13 classifications, covering 167 positions, of persons employed by the Municipal Court. The proposed ordinance, which relates to employees who are not represented by an employee organization, would be adopted pursuant to the California Government Code Section 74504.5, and would establish conditions of employment and methods of payment.

The Municipal Court employees covered by the proposed ordinance are as follows:

<u>Classification</u>	<u>Current No. of Positions</u>
215 Bail Commissioner	1
255 Court Commissioner	3
280 Deputy Clerk	37
285 Executive Secretary	1
287 Administrative Secretary	1
289 Personnel and Payroll	1
290 Deputy Clerk	22
293 Interpreter Coordinator	1
297 Deputy Clerk	1
320 Deputy Clerk	27
330 Deputy Clerk	69
342 Information Clerk Supervisor	1
340 Information Clerk	<u>2</u>
Total	167

Wage Increases

The proposed ordinance would provide wage increases totaling 3.25 percent for FY 1998-99, retroactively to July 1, 1998, to all covered employees except for classes 215

Bail Commissioner and 255 Court Commissioner, based on the following schedule:

<u>Date</u>	<u>Percent Wage Increase</u>
July 1, 1998	1.75 percent
December 26, 1998	<u>1.50</u> percent
Total	3.25 percent

All employees in the classifications of the 215 Bail Commissioner and 255 Court Commissioner, effective July 1, 1998, shall be paid the same salary rate as that paid to Superior Court Commissioners in classes 620 and 621, which amounts to 85% of the rate paid to Superior Court Judges. The resulting wage increases are an increase of \$7,922, or 9.5 percent for the 215 Bail Commissioner, from \$83,360 to \$91,282 and an increase of \$12,826, or 16.3 percent for 255 Court Commissioners from \$78,456 to \$91,282.

Comments:

1. As shown in the Attachment, the Controller's office estimates that the subject proposed ordinance will result in estimated incremental costs of approximately \$237,000 for FY 1998-99 and ongoing incremental costs of approximately \$277,000. The Controller's office advises that these are State costs and not General Fund costs. The Budget Analyst concurs with the Controller's cost estimate.

2. The proposed ordinance has been approved by a majority of the Judges of the Municipal Court. California Government Code Section 74504.5 state that "Rates of compensation of all officers and assistants and other employees may be altered by joint action and approval of the Board of Supervisors and a majority of the judges of the court."

Recommendation:

Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

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Edward Harrington
ControllerJohn W. Madden
Chief Assistant Controller

July 9, 1998

Mr. John L. Taylor, Clerk of the Board
Board of Supervisors
401 Van Ness Avenue
San Francisco, CA 94102

RE: Ordinance Setting Compensation for Municipal Court Classifications
File No. 98-1062

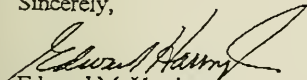
Dear Mr. Taylor:

In accordance with Ordinance 92-94, I am submitting a cost analysis of an ordinance setting compensation for certain Municipal Court classifications. The ordinance covers the period July 1, 1998 through June 30, 1999, and affects approximately 167 employees with a salary base of approximately \$7.5 million.

Based on our analysis, the agreement will result in estimated incremental costs of approximately \$237,000 in FY 1998-99, and ongoing annual incremental costs of approximately \$277,000. The agreement will result in an annual cost increase for FY 1998-99 of approximately 3.41% above FY 1997-98 base salaries. Please see Attachment A for specific cost estimates.

If you have any additional questions or concerns please contact John Madden at 554-7500.

Sincerely,


Edward M. Harrington
Controller

cc: Vicki Rambo, ERD
Harvey Rose, Budget Analyst

Attachment A
Municipal Court Employees
Estimated Costs 1998-99
Controller's Office

<u>Annual Incremental Costs/(Savings)</u>	<u>FY 1998-99</u>	<u>Ongoing Cost</u>
Wage Increases		
1.75% on 7/1/98 and 1.5% on 12/268/98	\$191,068	\$225,807
Internal Adjustment - Commissioners	14,593	14,593
Wage-Related Fringe Increases	31,507	36,829
Total Estimated Incremental Costs	\$237,168	\$277,229
Incremental Cost % of Salary Base	3.41%	3.99%

Item 6 – File 98-1022

Department: Public Utilities Commission (PUC)

Item: Resolution authorizing an assignment, assumption and amendments, including a rent increase, pertaining to an existing 40-year lease of Public Utilities Commission land located in the City of Santa Clara for parking and landscaping from Larvan Properties, assignor, to MELP VII, assignee.

Location: A portion of Parcel 144 of Bay Division Pipeline Nos. 3 and 4 right of way, in Santa Clara, California.

Purpose of Lease: To provide space for parking and landscaping to the assignee, MELP VII.

Lessor: City and County of San Francisco

Lessee: Larvan Properties

No. of Sq. Ft. and Cost Per Month: The leased parcel is 0.346 acres, or approximately 15,072 square feet at a current rate of \$175.50 per month, or approximately \$0.0116 per square foot. The proposed resolution would amend the lease to increase the monthly lease rate to \$1,446.92 per month, or \$0.096 per square foot, an increase of \$0.0844 per square foot, or 728 percent.

Annual Cost: The current annual lease rate is \$2,105.92. The proposed resolution would amend the lease to increase the annual lease rate to \$17,363, an increase of \$15,257.

Utilities and Janitor Provided by Lessee: The services to the subject land are currently provided by the lessee, Larvan Properties. The subject resolution would authorize Larvan Properties to assign the lease to MELP VII, who would then be responsible for providing all services to the subject land.

Term of Lease: August 1, 1977 through July 31, 2017, 40 years.

Right of Renewal: No

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Description:

The City and County of San Francisco, acting by and through the Public Utilities Commission, currently leases approximately 0.346 acres of land to Larvan Properties, a General Partnership, pursuant to a 40 year ground lease. The subject land is used for parking and landscaping purposes. The tenant, Larvan Properties, has recently sold adjacent property to MELP VII, L.P., a California limited partnership and has requested consent to Assignment of the lease to MELP VII, L.P. (Assignee). The subject land would continue to be used for parking and landscaping purposes.

The current lease provides that the base rental will be increased or decreased every five years in accordance with any increase or decrease in the Consumer Price Index (CPI). Larvan, as the Assignor, has agreed to amendments to the lease, including: (1) an increase in the monthly rental rate to reflect fair market value from \$175.50 per month to \$1,446.92 per month (from \$2,105.92 to \$17,363 per year) with annual adjustments based on any increase of the CPI, (2) compliance with the City's Equal Benefits Ordinance requirements, and (3) compliance with the City's Pesticide Ordinance; provided, however, the PUC will consent to not unreasonably withhold any future assignments or subletting.

Comments:

1. The PUC has issued a resolution approving the proposed assignment, assumption, and amendment to the lease.
2. The assignment, assumption, and amendment to the subject lease became effective on March 13, 1998. As such, the proposed resolution should be amended for retroactivity.
3. According to Mr. Gary Dowd of the PUC, the original lease rate for the subject property, established in 1977, was \$756 per year, with adjustments every five years based on the CPI, which have brought the lease rate to the current \$2,105.92 per year. Mr. Dowd reports that over the years, the base rent has not reflected fair market value. However, the lessee has agreed to the new rent with annual CPI increases provided the lease is amended to include the statement, "Landlord's consent will not be unreasonably withheld in any instance where such

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consent is required to a proposed assignment, subletting, or other transfer of encumbrance of Tenant's interest in the lease." Mr. Dowd reports that such an amendment is acceptable to the PUC given the fact that the lease has been brought up to fair market value and the annual CPI adjustments should keep the lease rate at a fair market value level.

Recommendation: Amend the proposed resolution to provide for retroactivity and approve the resolution, as amended.

Item 7 – File 98-1031

Department: Public Utilities Commission

Item: Resolution authorizing the sale of the Public Utilities Commission (PUC) surplus real property identified as a portion of the Sunol Aqueduct easement located near Fremont, Alameda County, California to Mission Clay Products Company.

Description: The proposed resolution would authorize a sale, from the PUC to Mission Clay Products, Inc., through the execution of a quitclaim deed, of City-owned real property in Alameda County consisting of a 1.47 acre easement which the PUC had previously declared to be surplus to the Water Department's needs.

The Board of Supervisors previously authorized an agreement ("Agreement") between the City, acting through the PUC, and Mission Clay Products, Inc. ("Mission Clay"), (File No.172-96-5), in April of 1996, whereby the City was relieved of its obligation to provide water to Mission Clay, through the Sunol Aqueduct, which had become uneconomical. The Agreement included a provision that the City would fund the construction of a water well in the amount of \$30,000 on Mission Clay's property through a well drilling contractor to be hired by Mission Clay. The City also agreed to pay Mission Clay the lump sum of \$5,000 to maintain in perpetuity Mission Clay's water well. In return, Mission Clay agreed, at a cost estimated by the Water Department to be \$71,500, to demolish and dispose of the aqueduct structure on the subject easement which crosses Mission Clay property at no cost to the City. According to Josh Milstein, Deputy City Attorney, if this agreement had not been reached, the City would have demolished the aqueduct structure because the Sunol Aqueduct, including the portion on the subject easement, was no longer an economical method to provide water to Mission Clay. Therefore, under the Agreement, the City avoided an estimated cost of \$71,500 associated with the demolishment of that portion of the Sunol Aqueduct on Mission Clay property.

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The Agreement also included a provision that once the replacement water supply well was installed, the aqueduct structure on the subject easement which interferes with Mission Clay's mining operations, could, as previously noted, be demolished, and the City would quitclaim the 1.47 acre portion of the subject easement without charge to Mission Clay in exchange for Mission Clay's demolition and disposal of the aqueduct structure on the subject easement.

The proposed resolution would formally authorize the City to sell the subject 1.47 acre easement to Mission Clay, in accordance with the Agreement previously approved by the Board of Supervisors.

Comments:

1. As previously noted, the Water Department reports that the estimated cost of demolishing the aqueduct structure on the subject easement, which cost is to be borne solely by Mission Clay, is \$71,500.

2. The Real Estate Department has inspected and appraised the subject easement and determined that its fair market value is \$26,450. Under the proposed resolution, the City would forego this value of \$26,450 by transferring, through the execution of a quitclaim deed, the subject easement from the PUC to Mission Clay, without charge to Mission Clay. Therefore, the City would save an estimated \$45,050 (\$71,500 in costs to be borne by Mission Clay to demolish the aqueduct structure on the subject easement less \$26,450, the value of the subject easement). According to Gary Dowd, of the Public Utilities Commission, the City's cost associated with the construction of the replacement water supply well on Mission Clay property should not be subtracted from the above savings to the City because the City was obligated, whether or not this agreement had been reached, to continue to provide water to Mission Clay. Mr. Dowd advises that construction of the water well would be the least expensive method for replacing water to Mission Clay.

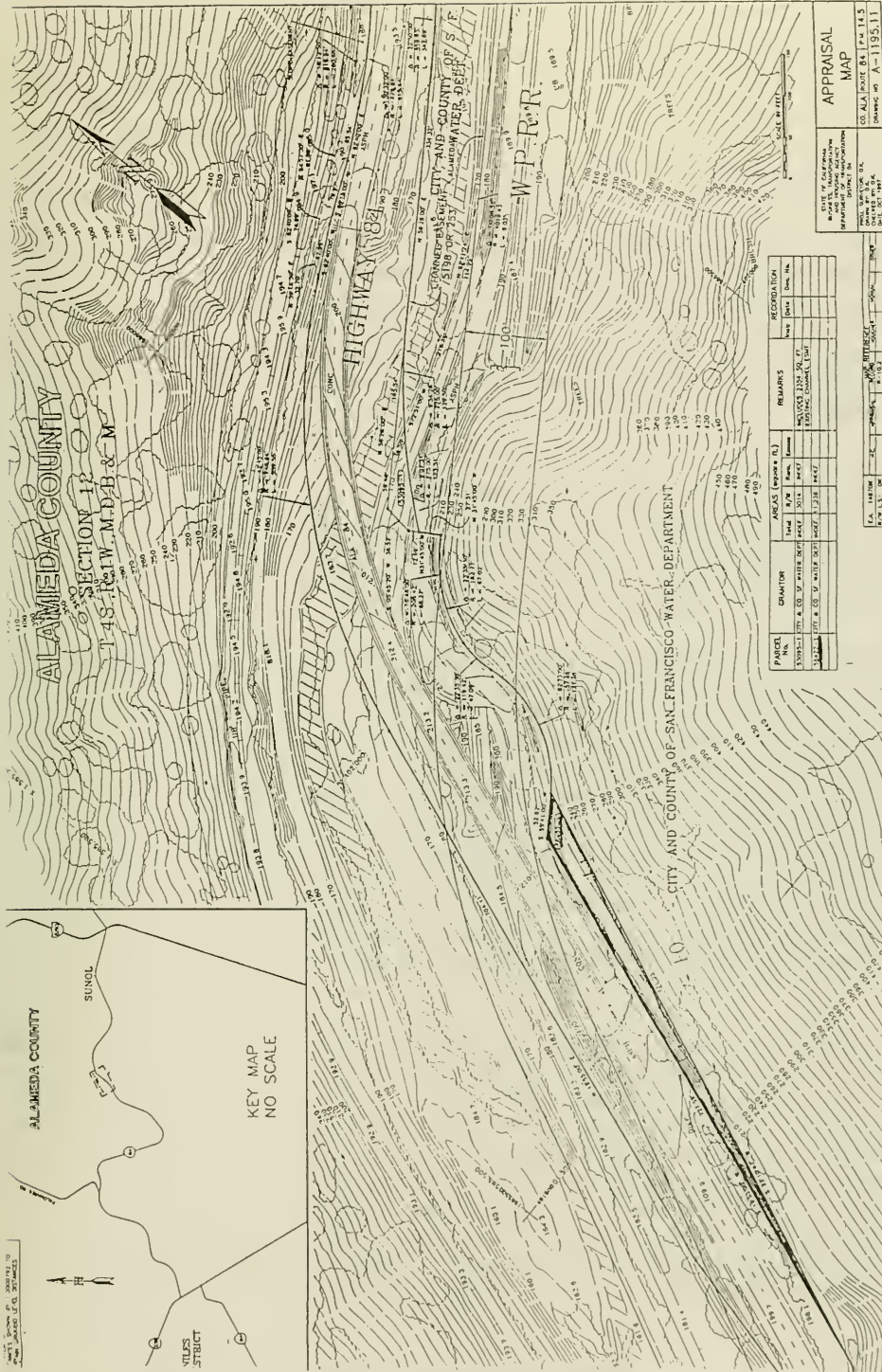
Recommendation: Approve the proposed resolution.

Item 8 – File 98-1033

Department:	Public Utilities Commission
Item:	Resolution authorizing the sale of 11,240 square feet of vacant land owned by the Public Utilities Commission (PUC), identified as a portion of Assessor Parcel No. 96-115-6-1 located in Sunol, Alameda County, to the State of California.
Description:	<p>The City, under the jurisdiction of the Public Utilities Commission, owns 11,240 square feet of land in the County of Alameda near Sunol along Highway 84 near the Alameda Creek Bridge, as shown in the Attachment to this report. Currently, this City-owned property is part of a larger 300 acre parcel of undeveloped watershed land. The State of California has requested that the City sell this 11,240 square feet parcel of land in order to realign and retrofit the Alameda Creek Bridge on Highway 84. The fair market value of the subject property purchase price, as determined by the Department of Real Estate, is \$2,500, or approximately \$0.22 per square foot.</p>
Comments:	<ol style="list-style-type: none">1. On May 26, 1998, the PUC approved a resolution (Resolution No. 98-0132) determining that the subject property is surplus to the PUC's needs.2. According to Mr. John Panieri of the Real Estate Department, the sale of the property was not opened to competitive bids at a public auction because the State has expressed its interest in acquiring the parcel of land for public purpose and could, if necessary, invoke eminent domain procedures against the City. However, according to Mr. Panieri, the purchase price of \$2,500, or approximately \$0.22 per square foot, to be paid by the State to the City, represents the fair market value of this property based on a comparison of similar properties in the area.3. If the proposed legislation is approved, Mr. Panieri states that the closing date on this property would be approximately September 1, 1998.

4. The proposed resolution also states that the City shall indemnify and hold harmless the State of California from any and all claims regarding the title to the proposed property, provided that such indemnification does not exceed the \$2,500 purchase price of the property. Mr. Panieri reports that although the City does not generally indemnify purchasers of property from the City, given that the State of California requested this indemnification provision and the relatively small amount of potential exposure for the City (\$2,500), this provision was included in the proposed legislation.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.



Items 9 and 10 – Files 98-1067 and 98-1068

Department: Purchasing Department

Item: File 98-1067: Resolution designating for outreach advertising, the *Bay View Inc.* to be the outreach newspaper of the City for the African-American community; designating the *China Press* to be the outreach newspaper of the City for the Chinese community; and designating the *El Latino* to be the outreach newspaper of the City for the Hispanic community.

File 98-1068: Resolution designating the *San Francisco Bay Times* for outreach advertising for the City for the Lesbian/ Gay/ Bisexual community until such time that a periodical can be designated as the official outreach periodical for the Lesbian/ Gay/ Bisexual Community.

Description: Proposition J, which was approved by the San Francisco electorate in November of 1994, provided, in part, for an Outreach Advertising Fund to be established for the purpose of the City placing "outreach advertising" or weekly notices of items pertaining to governmental operations in periodicals selected to reflect the diversity in race and sexual orientation of the population of the City. Outreach advertisements include, but are not limited to, information about issues that are being reviewed by the Board of Supervisors and directly affecting the public. Proposition J requires the City to withhold 10 percent of the amounts paid for official advertising and deposit the monies in the Outreach Advertising Revenue Fund.

The Purchasing Department advises that pursuant to Proposition J, the Department issued an Invitation for Bids on May 9, 1998 for the City's outreach advertising. The issuance of the Invitation for Bids is in accordance with Section 2.80 of the Administrative Code, which finds that the City wishes to (1) maximize the public's access to public notices which are required to be published by law and (2) implement an aggressive outreach plan to meet the public information needs of those communities and neighborhoods which may not be adequately served by the

City's other designated newspapers for official advertising.

File 98-1067: The Purchasing Department received five bids in response to its Invitation for Bids including: (1) three bids for outreach advertising in the African American community, (2) one bid for outreach advertising in the Chinese community, and (3) one bid for outreach advertising in the Hispanic community. The Attachment provided by the Purchasing Department lists the bidders and the amounts bid. The "Cost of Sample" for the bid is the average cost to typeset a sample, calculated by dividing the total cost for the 4x6 inch block by the number of times the bidder is able to typeset the sample in the 4x6 inch block, using the bidder's choice of type font and column width. The cost of the 4x6 inch block is the number of lines in the block multiplied by the billing rate per line.

The five bids were evaluated by the Purchasing Department on the basis of certain criteria and a point system established under Section 2.81-3 of the Administrative Code. Bidders were required to submit typeset samples and other documentation for evaluation purposes. The criteria used for evaluation of bids under Section 2.81-3 includes: (1) the advertising bid amount (the periodical which submits the lowest bid receives additional points), (2) the periodical's level of circulation (for each community, the periodical with the largest circulation receives additional points), (3) the cost of the periodical (any periodical with a majority of circulation that is free of charge to the general public receives additional points), (4) the ownership of the periodical (any periodical which is owned by a local, minority, or women-owned firm receives additional points), and (5) the foreign language content of the periodical (a periodical with a majority of its editorial content published in the native language of the outreach community it serves receives additional points).

Based on the point system established in Section 2.81-3, the Purchasing Department is recommending that the *Bay View Inc.*, the *China Press*, and the *El Latino* be awarded contracts for the City's outreach advertising,

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based on receiving the highest point totals. The Attachment provided by the Purchasing Department contains the point evaluation data of the bidders.

File 98-1068: According to the Purchasing Department no bids were received for an official outreach newspaper for the Lesbian/Gay/Bisexual community. Because no bids were received, the Purchasing Department is not making a recommendation regarding the award of the City's Lesbian/Gay/Bisexual outreach advertising for FY 1998-99. Instead, the proposed resolution extends the current designation of the San Francisco Bay Times for advertising until such time that an official outreach periodical is selected.

Comments:

1. Pursuant to Proposition J and in accordance with Section 2.81-2(a), the City is required to withhold 10 percent of the annual amounts paid for the City's Type 1 and Type 2 official advertising and to deposit these monies into the Outreach Advertising Fund. Type 1 official advertising is published on two or more consecutive days to advertise special meetings of the Board of Supervisors. Type 2 official advertising is published for a single day or non-consecutive days to advertise notices of committee meetings of the Board of Supervisors, Invitation for Bids, Request for Proposals, and citations. The Purchasing Department estimates that the FY 1998-99 cost for the City's Type 1 and Type 2 official advertising will be \$837,100. Therefore, the estimated amount available for outreach advertising is \$83,710, or 10 percent of the \$837,100.

2. The Purchasing Department states that the City Attorney has advised that the Board of Supervisors need not accept the Purchasing Department's recommendations to award contracts to the above-noted periodicals and may designate any periodical which is qualified under the Administrative Code. Additionally, pursuant to Sections 2.80-1 (b) and 2.81-4, the Board of Supervisors may specify additional outreach communities, and may authorize additional advertising for communities not adequately served by the City's official advertising and outreach periodicals.

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Memo to Finance Committee
July 15, 1998 Finance Committee Meeting

3. According to Mr. Edwin Lee, Director of Purchasing, there is a balance of approximately \$175,100 in the Outreach Advertising Fund as of June 24, 1998.

Recommendation: Approval of the proposed resolutions is a policy matter for the Board of Supervisors.

Exhibit A

FY 98-99 Bid Data and Point Calculation, by Outreach Community1. African American

Three bids were received.

	Avail. Points	Small Business Exchange		San Francisco Bay View		Sun Reporter Publishing Co.	
		Data	Pts	Data	Pts	Data	Pts
Cost of Sample	15	\$ 9.66	15.00	\$14.08	10.29	\$46.50	3.10
Circulation, SF	10	1,500	.62	15,000	6.17	24,325	10.00
Circulation, Comm		1,500		15,000		24,325	
Price, if free	5	no	0	yes	5.00	yes	5.00
Foreign language	5	no	0	no	0	no	0
Locally owned	2	yes	2.00	yes	2.00	yes	2.00
Minority owned	2	yes	2.00	yes	2.00	yes	2.00
Woman owned	2	no	0	no	0	yes	2.00
Subtotal, Prop. J	41		19.62		25.46		24.10
MBE/WBE/LBE Pref.	10%	10%	1.96	yes	2.55		2.41
Total	45.1		21.58		28.01		26.51
Ranking			3		1		2

2. Chinese

One bid was received.

	Avail. Points	China Press	
		Data	Pts
Cost of Sample	15	\$12.16	15
Circulation, SF	10	1,500	10
Circulation, Comm		1,500	
Price, if zero	5	no	0
Foreign language	5	yes	5
Locally owned	2	yes	2
Minority owned	2	yes	2
Woman owned	2	no	0
Subtotal, Prop. J	41		34
MBE/WBE/LBE Pref.	10%	10%	3.4
Total	45.1		37.4
Ranking			1

3. Gay/Lesbian/Bisexual

No bids were received.

4. Hispanic

One bid was received.

	Avail. Points	<u>El Latino</u> <u>Data</u>	<u>Pts</u>
Cost of Sample	15	\$12.10	15
Circulation, SF	10	3,000	10
Circulation, Comm		3,000	
Price, if zero	5	no	0
Foreign language	5	yes	5
Locally owned	2	yes	2
Minority owned	2	yes	2
Woman owned	<u>2</u>	yes	<u>2</u>
Subtotal, Prop. J	41		36
MBE/WBE/LBE Pref.	10%		3.6
Total	45.1		39.6
Ranking			1

Item 11 – File 98-1073

Department: Department of Real Estate (DRE)
Department of Public Works (DPW)

Item: Resolution confirming sale of surplus City-owned property.

Description: Pursuant to Ordinance No. 237-93 and Resolution No. 362-98, authorizing the Director of Property to obtain bids at public auction for the sale of surplus property to the highest bidder, and in accordance with the published written notice inviting written tenders and oral bids at the June 23, 1998 public auction, the Director of Property received and recommends acceptance of the highest cash bids to purchase the following real properties under the jurisdiction of the Department of Public Works:

<u>Property</u>	<u>Highest Bidder</u>	<u>Bid Amount</u>
Assessor's Block 3807, Lot 12 7 th and Channel Streets	Macor, Inc.	\$3,768,000
Assessor's Block 5067, Lot 3 San Bruno Ave. near Campbell Ave.	Samih M. Arikat and Samih I. Khoury	<u>99,000</u>
Total		\$3,867,000

The subject property described as Assessor's Block 3807, Lot 12, near the intersection of 7th and Channel Streets, is adjacent to the proposed Mission Bay development project. The property is vacant, roughly paved, level land zoned M2, an industrial classification.

The subject property described as Assessor's Block 5067, Lot 3, on San Bruno Avenue near Campbell Avenue, is vacant, irregularly shaped and sloped land zoned RH1, a residential classification.

Approval of this proposed resolution would confirm the sales and authorize the Director of Property to execute deeds to the highest bidders for the above City-owned property, subject to the terms and conditions contained in the Invitations to Bid.

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Comments:

1. DRE estimates that the fair market value of Assessor's Block 3807, Lot 12, is \$3,768,000 and Assessor's Block 5067, Lot 3 is \$99,000. DRE received one bid for each of the subject properties at the full fair market value of each property as estimated by DRE. The properties were marketed through signs placed on each property, approximately 2,000 flyers mailed to all members of the San Francisco Association of Realtors, all commercial brokerages, the Redevelopment Agency mailing list and to the DRE mailing list, and public notices were published in San Francisco Independent. In response to inquiries, 80 packages of information were mailed. The DRE expenses related to such marketing activities total \$33,622. DRE reports that the \$33,622 in auction expenses would be deducted from the total proceeds of the sale and allocated to DRE to recover costs.

2. The \$3,833,378 balance (\$3,867,000 less \$33,622) of the net sale proceeds would be deposited in the DPW Real Property Fund.

3. As described in the Attachment to this report, provided by Ms. Tina Olson of DPW, DPW is proposing to use an estimated \$2,000,000 of the \$3,833,378 for geographical consolidation of DPW staff, subject to supplemental appropriation approval by the Board of Supervisors: (1) the Bureau of Street Use and Mapping would be relocated from 875 Stevenson to 1680 Mission, (2) the Bureau of Engineering staff in 1680 Mission would be relocated to 30 Van Ness, and (3) DPW administrative staff moved to 30 Van Ness. According to Ms. Olson, such relocations would improve DPW customer service and operational efficiency. Ms. Olson reports that it is not yet known how the balance of \$1,833,378 (\$3,833,378 less \$2,000,000) would be expended.

Recommendation: Approve the proposed resolution.

BOARD OF SUPERVISORS
BUDGET ANALYST



MEMORANDUM

Date: July 9, 1998

To: Taylor Emerson, Budget Analyst's Office

From: Tina Olson, DPW *Tina Olson*

Subject: Use of Proceeds from Sale of Surplus City Land

The Department of Public Works is evaluating whether to geographically consolidate some of its' Bureaus to improve customer support and operational efficiency. We are proposing to use approximately \$2 million of the proceeds from the land sale to fund this consolidation.

The Bureaus under the management of the City Engineer are presently housed in four locations, 30 Van Ness Avenue, 875 Stevenson Street, 1680 Mission and 1660 Mission. DPW proposes to relocate all of its Bureau of Street- Use and Mapping staff to 1680 Mission Street, a city owned-building, to better serve the public because of its close proximity to other permitting agencies, namely City Planning and the Department of Building Inspection. The public would then be able to submit and obtain permits within a central location.

The Bureau of Engineering is housed in two buildings; 1680 Mission Street and 30 Van Ness Avenue. We are proposing to relocate Engineering staff from 1680 Mission to 30 Van Ness. This would serve two purposes; first, to provide space for the Bureau of Street Use and Mapping and second, to improve operational efficiency within Engineering because staff would be at one location rather than two.

DPW is also evaluating the relocation of its administrative staff from 875 Stevenson Street to 30 Van Ness to be closer to the Bureaus that they support.

We estimate that these relocations would cost \$2 million, which includes moving and reinstalling furniture and computer equipment, building partitions and finishes, and renovating 1680 Mission Street to provide customer counter support, façade and interior improvements. If we decide to proceed with these relocations, we will submit a supplemental appropriation to the Mayor and Board of Supervisors sometime in the next six months.

Item 12 – File 98-1885

Note: The Budget Analyst has been informed by the Department of Administrative Services that an Amendment of the Whole of this proposed ordinance will be submitted to delete references to purchases under Federal Contracts. This report describes the proposed ordinance as it will be amended.

Department: Department of Administrative Services

Item: Ordinance amending the Administrative Code to authorize the Purchaser to purchase goods and services, including materials, equipment, supplies and contractual services under contracts executed by the State of California.

Description: Chapter 21 of the Administrative Code establishes purchasing procedures that must be followed by City Departments. Under Administrative Code Section 21.46, the Purchaser may utilize the State Department of General Services to make purchases of materials, equipment or supplies. Such acquisitions can be made in cases where the Purchaser deems that it is in the best interests of the City and County to do so, and with the prior approval of the Director of Administrative Services.

Further, Administrative Code Section 21.6 requires competitive bidding or proposals for any procurement of materials, supplies, equipment or contractual services when the Purchaser estimates that the cost of the purchase will exceed \$50,000.

The State Department of General Services is responsible for procurement of goods and services for State agencies, and makes their procurement contracts available to local governments, such as cities, counties and school districts. Many local jurisdictions find that because of the discounts leveraged through the mass purchasing power of the State, savings are realized through utilization of the State Department of General Services contracts.

The proposed ordinance would amend Administrative Code Section 21.46 to permit the Purchaser to make purchases from any State of California Department

BOARD OF SUPERVISORS
BUDGET ANALYST

contract, instead of limiting the Purchaser to just contracts executed by the State Department of General Services. The proposed ordinance would add contractual services to the items that could be purchased through the State, in addition to materials, equipment and supplies.

Such purchases would not be subject to any maximum amount, as long as the price paid by the City is at or below the price provided in the State contract. Therefore, Administrative Code Section 21.6, requiring competitive bidding for purchases that are estimated to cost more than \$50,000 would not apply to purchases made under State contracts if the proposed ordinance is approved.

Comment:

1. According to Mr. Steve Nelson, Director of Administrative Services, the proposed ordinance would expand the Purchaser's authority to benefit from the bulk purchasing practices of State Agencies. The City will benefit from the State contracts without incurring the cost of developing bid specifications and would enable the Purchaser to dedicate resources to efficient purchasing of items unique to the City's needs.

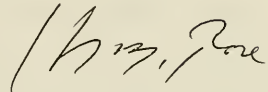
2. In addition, according to Mr. Nelson, the proposed ordinance would establish a price ceiling by stating that the Purchaser could only make purchases at or below the prices provided in the State contract. Under this legislation, the Purchaser would also be permitted to negotiate lower prices than the prices provided under the State contract without the use of competitive bidding.

3. In the professional judgement of the Budget Analyst, it is conceivable that the City could obtain prices lower than that the prices obtained through State contracts, by conducting a separate competitive bidding process. In that connection, Mr. Nelson states that he would continue to be required to approve all purchases made under this provision of the Administrative Code, and that the Purchaser would continue to review previous competitive bids conducted by the City and compare the results with the prices realized under State contracts. If it is indicated that the City can achieve lower prices through its own competitive bidding process prior to making purchases

BOARD OF SUPERVISORS
BUDGET ANALYST

under a State contract, then such an independent competitive bidding process would be conducted by the City.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.



Harvey M. Rose

cc:	Supervisor Teng	Clerk of the Board
	President Kaufman	Controller
	Supervisor Newsom	Gail Feldman
	Supervisor Ammiano	Matthew Hymel
	Supervisor Bierman	Stephen Kawa
	Supervisor Brown	Ted Lakey
	Supervisor Katz	
	Supervisor Leno	
	Supervisor Medina	
	Supervisor Yaki	
	Supervisor Yee	

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22/98

MINUTES
FINANCE COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

DOCUMENTS DEPT.
JUL 23 1998
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REGULAR MEETING

WEDNESDAY, JULY 22, 1998 - 1:00 P.M.

VETERANS BUILDING
401 VAN NESS AVENUE
ROOM 410

MEMBERS: SUPERVISORS MABEL TENG, BARBARA KAUFMAN, GAVIN NEWSOM

ABSENT: Supervisor Newsom for entire meeting.

CLERK: JONI BLANCHARD

Meeting Commenced: 1:08 p.m.

CONSENT CALENDAR

1. All items listed hereunder constitute a Consent Calendar, are considered to be routine by the Committee and will be acted upon by a single, roll-call vote of the Committee. There will be no separate discussion of these items unless a member of the Committee or the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

- a. File 98-1147. [Reserved Funds, Port] Hearing to consider release of reserved funds, Port Commission (Ord. No. 252-97), in the amount of \$565,870.80 to fund construction contract for three pre-engineered parking shelters and a wash area containment facility at Pier 50, Shed D. (Port Commission)

SPEAKERS: None.

ACTION: Release of \$565,870.80 approved. Filed.

- b. File 98-1149. [Reserved Funds, MOCDD] Hearing to consider release of reserved funds, Mayor's Office of Community Development (Resolution Nos. 1076-96 and 122-98) in the total amount of \$231,474, to fund two projects (Workforce Development Pool/Mission Hiring Hall - \$28,000; Chinatown Economic Development Pool - \$203,474.) (Mayor's Office of Community Development)

SPEAKERS: None.

ACTION: Release of \$231,474 approved. Filed.

- c. File 98-1150. [Prop J Contract, Laundry Services] Resolution concurring with the Controller's certification that Laundry Services can be performed for the Department of Public Health, San Francisco General Hospital by private contractor for a lower cost than similar work performed by City and County employees. (Dept. of Public Health)

SPEAKERS: None.

ACTION: Recommended.

REGULAR CALENDAR

2. File 98-1120. [Settlement of Grievance] Ordinance authorizing settlement of the pay grievance of Mark Dorian filed pursuant to Memorandum of Understanding between the International Federation of Professional and Electrical Engineers, Local 21, AFL-CIO, and the City and County of San Francisco in the amount of Eighteen Thousand Dollars (\$18,000.00). (Department of Human Resources)

SPEAKERS: None.

ACTION: Consideration continued to 8/5/98.

3. File 98-1141. [IHSS Contract Extension - Addus Healthcare] Resolution approving the contract between the City and County of San Francisco and Addus Healthcare for the provision of In-Home Supportive Services for the period from July 1, 1998 to July 31, 1998 in the amount of \$687,000; see File 98-0934. (Supervisor Teng)

SPEAKER: Harvey Rose, Budget Analyst.

ACTION: Hearing held. Amended on lines 4 and 15 between "July 1, 1998" and "to" to insert ", retroactively,". (See new title). Recommended as amended.

New Title: [IHSS Contract Approval - Addus Healthcare] Resolution approving the contract between the City and County of San Francisco and Addus Healthcare for the provision of In-Home Supportive Services for the period from July 1, 1998, retroactively, to July 31, 1998 in the amount of \$687,000; see File 98-0934. (Dept. of Human Services)

NOTE: Supervisor Teng replaced Dept. of Human Services as sponsor.

4. File 98-1083. [Agreement, Parking Citation Processing] Resolution authorizing the Executive Director of the Department of Parking and Traffic to execute an agreement between the City and County of San Francisco and PRWT Services, Inc. for an automated parking citation processing and collections system, including handheld ticket writing devices; companion measure to File 98-1111. (Supervisors Teng, Kaufman)

SPEAKERS: Harvey Rose, Budget Analyst; Stuart Sunshine, Director, Dept. of Parking and Traffic - support.

ACTION: Hearing held. Recommended.

NOTE: Supervisors Teng and Kaufman replaced Dept. of Parking and Traffic as sponsor.

5. File 98-1111. [Prop J Contract, Parking Citation Processing] Resolution concurring with the Controller's certification that the proposed contract with PRWT Services, Inc. for an automated parking citation processing and collections system can practically be performed by a private contractor for a lower cost than similar services performed by City and County employees; companion measure to File 98-1083. (Supervisors Teng, Kaufman)

SPEAKERS: Harvey Rose, Budget Analyst; Stuart Sunshine, Director, Dept. of Parking and Traffic - support.

ACTION: Hearing held. Recommended.

NOTE: Supervisors Teng and Kaufman replaced Dept. of Parking and Traffic as sponsor.

6. File 98-1151. [Combined Negotiated Net Amount/Medical Agreement] Resolution authorizing the Dept. of Public Health, Community Substance Abuse Services, to enter into a Combined Negotiated Net Amount and Drug Medi-Cal Agreement for the term July 1, 1998 through June 30, 1999 with the State of California, Dept. of Alcohol and Drug Programs in the amount of \$15,986,354 as a condition of receiving state funds for substance abuse treatment; holding the State Department of Alcohol and Drug Programs harmless from any and all claims resulting from the agreement; authorizing and designating the Director of Community Substance Abuse Services to sign said agreement and to approve contract amendments for less than ten percent (10%) of the contracted amount. (Dept. of Public Health)

SPEAKERS: Harvey Rose, Budget Analyst; Anne Okubo, Dept. of Public Health - support.

ACTION: Hearing held. Amended on page 1, line 2 after "1998" to insert ", retroactively,"; amended on page 1, line 25 after "1998" and before "through" to insert ", retroactively,". (See new title). Recommended as amended.

New Title: [Combined Negotiated Net Amount/Medical Agreement] Resolution authorizing the Dept. of Public Health, Community Substance Abuse Services, to enter into a Combined Negotiated Net Amount and Drug Medi-Cal Agreement for the term July 1, 1998, retroactively, through June 30, 1999 with the State of California, Dept. of Alcohol and Drug Programs in the amount of \$15,986,354 as a condition of receiving state funds for substance abuse treatment; holding the State Department of Alcohol and Drug Programs harmless from any and all claims resulting from the agreement; authorizing and designating the Director of Community Substance Abuse Services to sign said agreement and to approve contract amendments for less than ten percent (10%) of the contracted amount. (Dept. of Public Health)

7. File 98-1140. [Permit to Use City Property] Resolution authorizing the City Administrator to enter into an agreement with the Hastings College of the Law which will permit the College to use the San Francisco Superior and Municipal Courts Building at 400 McAllister, specifically three (3) jury rooms and one (1) multi-purpose room (total four (4) rooms), two hours daily at the rate of \$35.00 per day beginning August 24, 1998 and ending December 3, 1998. (Real Estate Dept.)

SPEAKERS: Harvey Rose, Budget Analyst; Harry Quinn, Real Estate Dept. - support.

ACTION: Hearing held. Recommended.

8. File 98-1178. [Recision of Tax Deed for Public Auction Sale] Resolution authorizing the Tax Collector to cancel the tax deed issued to the purchaser of 43 Crescent Avenue (Parcel No. 34-5746-012) following the September 2, 1997 public auction of tax defaulted property and to refund the bid amount to the purchaser. (Treasurer/Tax Collector)

SPEAKERS: Harvey Rose, Budget Analyst; George Putris, Deputy City Atty.; Susal Leal, Treasurer - support; Richard Sullivan, Tax Collector - support.

ACTION: Hearing held. Amended on line 3 between "of" and "Crescent" to replace "43" with "45". (See new title). Recommended as amended.

New Title: [Recision of Tax Deed for Public Auction Sale] Resolution authorizing the Tax Collector to cancel the tax deed issued to the purchaser of 45 Crescent Avenue (Parcel No. 34-5746-012) following the September 2, 1997 public auction of tax defaulted property and to refund the bid amount to the purchaser. (Treasurer/Tax Collector)

9. File 98-1058. [Visitacion Valley] Hearing to consider an update on the quality of life in Visitacion Valley specifically concerning community policing, economic development, child care, open space, and street cleaning. (Supervisor Teng)

SPEAKERS: Commander Santos, SFPD; Lt. Speros, SFPD; Marcia Rosen, Mayor's Office of Housing; Pam David, Mayor's Office of Community Development; Joe Lam, Mayor's Office of Children, Youth & Families; David Ishida, Commission on Aging; Hala Hijazi, Mayor's Office of Economic Development; Marcia DeVaughn, Dept. of Public Works; Melvin Baker, Dept. of Public Works; Marlene Tran, Visitacion Valley Asian Alliance.

ACTION: Hearing held. Consideration continued to the Call of the Chair.

VOTE ON ALL ITEMS WAS 2-0.

Meeting Adjourned: 2:55 p.m.

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CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

July 17, 1998

TO: Finance Committee

FROM: Budget Analyst *Recommendation for meeting of* DOCUMENTS DEPT.

SUBJECT: July 22, 1998 Finance Committee Meeting

Item 1a - File 98-1147

JUL 21 1998
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Department: Port of San Francisco

Item: Hearing to request release of reserved funds in the amount of \$565,870.80 for construction work at the Port's Pier 50D Maintenance Facility for parking shelters and wash area containment.

Amount: \$565,870.80

Source of Funds: Canadian Imperial Bank of Commerce Loan Proceeds

Description: In March, 1996, San Francisco voters approved Proposition B, which established a special zoning district to permit the construction of a new baseball stadium on Port property on Pier 46 at China Basin. In order for the baseball stadium to be built, the Port of San Francisco must relocate its existing maintenance facilities from Pier 46B to Pier 50D.

In June, 1997 the Board of Supervisors adopted a resolution approving and authorizing the Port Commission to enter into a loan agreement with the Canadian Imperial Bank of Commerce as lender, in an amount of up to \$12,000,000, in order to finance projects

related to the new ballpark construction (File 178-97-3). At that time, the Board of Supervisors also approved a supplemental appropriation ordinance in the amount of \$7,550,000 in proceeds from this \$12,000,000 loan, for a capital improvement project to relocate the Port's Maintenance Facility from its current site at Pier 46B to Pier 50D (File 101-96-83). Of this \$7,550,000, \$6,052,714 was placed on reserve pending the selection of contractors and the submission of final contract details. Of the total funds reserved, \$3,259,427 was earmarked for contractual services to renovate Pier 50D for use as the Port's maintenance facility (see Comment No. 3).

On June 23, 1998, through a competitive bid process, the Port Commission awarded a contract in the amount of \$514,428 to the lowest bidder, Kin Wo Construction, to supply and construct three pre-engineered parking shelters and a wash area containment facility, including required utility installations, grading, drainage and paving work at Pier 50, Shed D. The pre-engineered parking shelter is a prefabricated structure in which the Port's maintenance vehicles will be parked. The wash area containment facility, in which Port maintenance vehicles will be washed, will prevent run-off from entering the Bay.

The Port Commission is now requesting the release of \$565,870.80, consisting of \$514,428 for the construction contract plus a 10 percent contingency in the amount of \$51,442.80.

Budget:

The Attachment contains a breakdown of the \$514,428 for the construction costs related to the contract with Kin Wo Construction.

Comments:

1. Kin Wo Construction submitted the lowest of three bids for this project. The Attachment also displays the two other firms that submitted bids and their bid amounts.
2. Ms. Veronica Sanchez of the Port advises that construction work is scheduled to begin in mid-August, 1998 and will be completed by approximately mid-December, 1998.

BOARD OF SUPERVISORS
BUDGET ANALYST

3. Under a lease agreement between the Port and the Giants approved by the Board of Supervisors in July of 1997 (File 262-97-3), the Port will be reimbursed for the costs of relocating its maintenance facility to Pier 50D through annual rent payments from the Giants for the ballpark site.

Recommendation: Approve the requested release of reserved funds in the amount of \$565,870.80.

BID SUMMARY
PORT OF SAN FRANCISCO

PORT OF SAN FRANCISCO

Project No. 10 Parking Shelters And Wash Area Containment
Contract 2643 Project Engineer

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Page 150

- **Units Opened.**

1 Jun 2015

Item #	Description	Estimated Quantity	Bidder Name Address City State Zip Phone #	Unit / S Price	Total	Bidder Name Address City State Zip Phone #	Unit / S Price	Total
001	Supply & Install 3 Parking Stanchions, incl All Appurtenals, Supply & Install Wash Area Containment, incl All Appurtenals	N/A	Rox Via Corral 2401 Ingalls S F CA 94124 11567711000	\$302,000.00	\$392,000.00	Ayubayam Corral 1150 Battery Candlefield Rd Presidio of S F CA 94129	\$722,000.00	\$722,000.00
002	Hauling Loading	50 CY		\$20.00	\$1,000.00		\$50,000.00	\$50,000.00
003	Hauling Disposal of Class II Liquid Leachate	50 CY		\$210.00	\$10,500.00		\$50.00	\$2,500.00
004	Supply & Installation of Appurtenals at Materials Totals	20 CY		\$160.00	\$3,200.00		\$700.00	\$10,000.00
					\$1,420.00		\$10.00	\$100.00
					\$1,420.00			\$785,300.00

Item 1b – File 98-1149

Department: Mayor's Office of Community Development (MOCD)

Item: Hearing to consider the release of \$231,474 in reserved Community Development Block Grant funds for: (a) Department of Human Services/Mission Hiring Hall (\$28,000); and (b) Chinatown Community Development Center and Chinatown Facade Improvement Program (\$203,474).

Amount: \$231,474

Source of Funds: Previously reserved 1997 and 1998 Community Development Block Grant (CD) funds.

Description: Under the 1998 Community Development Block Grant (CD) Program, the Board of Supervisors reserved a total of \$1,909,331 for the Workforce Development Pool pending the provision of programmatic and budgetary details. In April 1998, the Board of Supervisors released \$1,000,000 for improvements to the Department of Human Services leased facility at 1235 Mission Street for the Personal Assisted Employment Services (File 98-578) leaving \$909,331 on reserve. The MOCD is now recommending the release of \$28,000 from the remaining \$909,331, leaving a balance of \$881,331 remaining on reserve. The MOCD recommends the release of \$28,000 for the Department of Human Services/Mission Hiring Hall project.

Under the 1997 CD program, the Board of Supervisors reserved a total of \$211,300 for the Chinatown Economic Development Pool pending submission of budget details on the specific economic development projects to be funded. In the approved 1998 CD Program budget, the Board of Supervisors placed an additional \$100,000 on reserve, increasing the amount of reserved monies for the Chinatown Economic Development Pool from \$211,300 to \$311,300. The MOCD is now recommending the release of \$203,474 for the Chinatown Community Development Center and the Chinatown Façade Improvement Program, leaving a balance of \$107,826 remaining on reserve for the Chinatown Economic Development Pool.

Project descriptions and related budget details are as follows:

Department of Human Services/Mission Hiring Hall; Yerba Buena Work Program, 288 7th Street (\$28,000)

Attachment I provided by MOCD, details a proposed budget for this project. The proposed funding would allow the Department of Human Services, through its contract with the Private Industry Council, which in turn has a ongoing sub-contract with the Mission Hiring Hall, a non-profit agency, to develop a new program called Yerba Buena Work. This Program would be located within the existing South of Market Employment Center facility (at 288 7th Street), currently leased to Mission Hiring Hall. The MOCD advises that this new Program would provide over 200 welfare recipients and South of Market residents with work-readiness, job placement and job retention services. The new Program is a collaboration with employers in the nearby Yerba Buena Center which has made a commitment to recruit and hire persons who have entered into the Mission Hiring Hall Program. As shown in the budget details under Attachment I, the release of \$28,000 of reserved funds from the Workforce Development Pool would be used to renovate the Market Employment Center facility to create a new workshop and training space for the Yerba Buena Work Program.

Chinatown Community Development Center and Chinatown Façade Improvement Program (\$203,474)

Attachment II provided by the MOCD is a proposed budget for this Program. The proposed Program would provide 13 matching grants (5 façade grants and 8 neon restoration grants) to businesses to improve historic facades, storefronts, neon signs and storefront lighting (see Comment 2). The funding would be administered by a non-profit organization, the Chinatown Community Development Center (CCDC) which would oversee the design, technical assistance and renovation process. These funds would also pay for a portion of staff salaries at the CCDC and related expenses for administering the

BOARD OF SUPERVISORS
BUDGET ANALYST

Program, as shown in the budget details under Attachment II. The Program is designed to improve the appearance of ground floor facades, signs and awnings in Chinatown. The MOCD advises that the Program would support the Enterprise Community priorities for Chinatown. According to Mr. Jon Pon of the MOCD, these Enterprise Community priorities were established by Chinatown's Neighborhood Planning Body, a body set up by MOCD that focuses on setting specific priorities for its neighborhood that are consistent with the principle of increasing economic opportunity in low economic areas. These priorities have been approved as part of HUD's designation for Neighborhood Revitalization Strategies.

Comments:

1. Mr. Pon advises that the positions detailed in the proposed budget for the Chinatown Community Development Center (CCDC) and the Chinatown Façade Improvement Program are existing positions within the CCDC. The requested funds would pay for between 30 and 50 percent of these positions as follows:

<u>Title</u>	<u>Time allocated to this Program</u>	<u>Annual Salary for this Program</u>
Project Coordinator	50%	\$23,010
Planner	50	17,700
Community Organizer	40	16,520
Clerical Assistant	30	<u>9,204</u>
Total		\$66,434

2. Mr. Pon advises that the CCDC has not yet specifically identified which businesses will receive the grant funds from the Chinatown Economic Development Pool. The budget shown in Attachment II details the maximum amounts which will be distributed by CCDC for 5 façade improvements (\$50,000) and 8 neon restoration projects (\$57,500). Attachment III provided by Mr. Pon explains how the MOCD determined the specific amounts of the following grants:

Memo to Finance Committee
July 22, 1998 Finance Committee Meeting

<u>Facade Improvement Grants</u>		<u>Neon Restoration Grants</u>	
	<u>Total \$</u>		<u>Total \$</u>
Two @ \$7,500	\$15,000	Three @ \$5,000	\$15,000
Two @ 10,000	20,000	Three @ 7,500	22,500
One @ 15,000	<u>15,000</u>	Two @ 10,000	<u>20,000</u>
Total	\$50,000	Total	\$57,500

The Community Organizer and Planner involved in this project will conduct community outreach to publicize the program and attract grant applications from businesses. CCDC will then finalize criteria for determining which businesses will receive the grant funds and in what amount. CCDC will also employ an Architectural Consultant to design the facade and neon restoration improvements.

Recommendations:

1. Approve the release of \$28,000 for the Department of Human Services/Mission Hiring Hall; Yerba Buena Work Program as requested.
2. Approve the release of \$95,974 of the requested \$203,474 for the Chinatown Community Development Center and Chinatown Facade Improvement Program.
3. Approval of the remaining \$107,500 (\$203,474 less \$95,974) including \$50,000 for facade improvements and \$57,500 for neon restoration projects, when the recipients of the grants have not yet been identified, is a policy matter for the Board of Supervisors.

BOARD OF SUPERVISORS
BUDGET ANALYST

Department of Human Services/Mission Hiring Hall
Yerba Buena Works
288 7th Street1998 CDBG Program
Project Budget

Proposed Improvements

Cost estimates

Second Floor:

Rough framing	\$	3,000
Drywall and taping		3,000
Finish carpentry		3,000
Doors and hardware		4,000
Windows/glazing		3,500
Painting		3,000
Electrical outlets/lighting		2,000
Roof mounted HVAC		4,500
Supports for A/V equipment		<u>2,000</u>

TOTAL

\$ 28,000

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Chinatown Community Development Center

1997 and 1998 CDBG Programs
Project Budget

Chinatown Facade Improvement Program

Salaries	\$66,434
50% Project Coordinator \$23,010	
50% Planner \$17,700	
40% Community organizer \$16,520	
30% Administrative staff \$9,204	
5 Facade Grants	\$50,000
8 Neon Restoration Grants	\$57,500
Architectural consultant	\$15,000
Computer Graphic Services	\$ 1,150
Insurance	\$ 2,000
Supplies and Phone	\$ 4,040
Fiscal Audit, and Accounting	\$ 7,350
TOTAL	\$203,474

ATTACHMENT III

Chinatown Community
Development Center

華埠社區協進中心



FAX MEMORANDUM

TO: Mr. Jon Pon, Mayor's Office of Community Development
FR: Jasmine Kaw
RE: Chinatown Façade Improvement Program

I am responding to your phone message regarding the justification for the proposed budgets for the façade and neon projects that have not yet been thus far identified.

In structuring the proposed budget, I had preliminary conversations with two individuals referred to me by various trades people to be "experts" in the fields of architecture and neon restoration. The architect who recommended the proposed estimates for the façade budget toured Chinatown with me on a day-long tour to review typical façade types and concluded that within certain budgets, certain types of improvements were feasible. Similarly, I met with a neon restoration specialist based in San Francisco at his studio and estimated the neon budget relative to typical work done in various neighborhoods in the City.

If you would like to contact either the architect or the neon restoration specialist directly, please feel free to use the following references: Mui Ho, Architect - 510 644 2600; and Jim Rizzo of Neon Works - 415 282 2700.

Post-It™ brand fax transmittal memo 7671		# of pages *	
To	JUSTIN NOLAN	From	JON PON
Co.		Co.	
Dept.		Phone #	
Fax #		Fax #	

1525 Grant Avenue · San Francisco, California 94133-3323
415.984.1450 · FAX 415.362.7992 · CRS 800.735.2929

Formerly Chinatown Resource Center and Chinese Community Housing Corporation

Item 1c – File 98-1150

Department: Department of Public Health (DPH), San Francisco General Hospital (SFGH)

Item: Resolution concurring with the Controller's Certification that the laundry services can continue to be performed for the Department of Public Health, San Francisco General Hospital by a private contractor for a lower cost than similar work performed by City and County employees.

Services to be Performed: Laundry Processing Service at San Francisco General Hospital

Description: Charter Section 10.104 provides that the City may contract with private firms for services which had been performed by City employees if the Controller certifies, and the Board of Supervisors concurs, that such services can in fact be performed by private firms at a lower cost than similar work services performed by City employees.

The Controller has determined that contracting for laundry processing services at San Francisco General Hospital for FY 1998-99 (the first year of the proposed two year contract beginning July 1, 1998 through June 30, 2000) would result in the estimated savings as follows:

	Lowest Salary Step	Highest Salary Step
<u>City Operated Service Costs</u>		
Salaries	\$447,573	\$519,693
Fringe Benefits	133,172	144,509
Operating Expenses	92,400	92,400
Capital Costs*	<u>169,537</u>	<u>169,537</u>
Total	\$842,682	\$926,139
 <u>Contractual Services Cost</u>	 <u>704,562</u>	 <u>704,562</u>
 <u>Estimated Savings</u>	 \$138,120	 \$221,577

*Amortized over seven years @ 7%.

Comments:

1. Laundry services for San Francisco General Hospital were first certified as required under Proposition J (Charter Section 10.104) in 1994 and since then, they have been continuously provided by outside contractors.
2. The proposed resolution should be amended to retroactively approve the Controller's Certification as of July 1, 1998.
3. The current one year contract expires on June 30, 1998, and is with Tartan Textile Services, Inc. The DPH has selected Tartan, based on a competitive bid process, to continue the provision of these services.
4. The laundry processing service costs for FY 1998-99 is \$0.27 per pound, the same as in FY 1997-98. DPH estimates the total annual weight of the laundry is 2,555,000 pounds, or 55,000 more than the 2,500,000 pounds of laundry processed in FY 1997-98. Based on the pounds of laundry and related contract monitoring costs, the Contractual Services Cost used for the purposes of this analysis is Tartan's estimated cost for laundry services for FY 1998-99.
5. The Controller's supplemental questionnaire with the Department's responses is shown in the Attachment to this report.

Recommendation:

Approve the proposed resolution.

CHARTER 8.300-1 (PROPOSITION J) QUESTIONNAIRE:

Department: Department of Public Health, San Francisco General Hospital
 Contract Services: Laundry Services

For term starting approximately: July 1, 1998 through June 30, 2000.

Who performed services prior to contracting out? Civil Service employees. The level of staffing at SFGH was reduced to 12 employees as a result of contracting out in July 1994. Since one (1) 2780 Laundry Supervisor has resigned from his position at SFGH the number was reduced to 11 employees as the new level of staffing at SFGH. Originally, the laundry services were performed by 34 Civil Service employees: 1 FTE 2786 General Services Manager; 2 FTE 2780 Laundry Supervisors; 1 FTE 2772 Sewing Technician; 11 FTE 2770 Sr. Laundry Workers; and, 19 FTE Laundry Workers. (However, one 2760 Laundry Worker retired and was never replaced and one 2780 Laundry Supervisor resigned from his position at SFGH).

The revised level of staffing to be used reflects efficiencies in the laundry operations if new equipment is installed (the old equipment was sold and removed from the premises) and comprises 21 employees. These are: 1 FTE 2786 General Services Manager; 1 FTE 1426 Sr. Clerk Typist; 1 FTE 2772 Sewing Technician; 7 FTE 2770 Sr. Laundry Workers; and, 11 FTE 2760 Laundry Workers.

Number of City employees laid off as a result of contracting out? A total of 19 laundry workers were laid off from laundry worker positions and placed in #9910 positions within the Department of Public Health (2-2770 Sr. Laundry Workers and 17-2760 Laundry Workers). However, no one was separated from City & Country service.

Explain disposition of employee if they were not laid off. The following 11 classifications remained at SFGH to manage the linen distribution system: 1 FTE 2786 General Service Manager; 1 FTE 2772 Sewing Technician; 6 FTE 2770 Sr. Laundry Workers; and, 3 FTE 2760 Laundry Workers. These work assignments were not affected by the proposed Prop J contract. The other 23 employees were either reassigned to Laguna Honda Hospital, placed in 9910 positions within the DPH, resigned, retired or took a voluntary leave to accept another position.

19 employees were assigned to duties in 9910 positions as follows: #2760: 1 assigned to SFGH Housekeeping as Porter, 1 assigned to Asst. Storekeeper duties in SFGH Pharmacy, 1 assigned to clerical duties in the Mental Health Rehab Facility, 1 assigned to Buildings & Grounds as a Porter, 1 assigned to Human Resources as a personnel clerk (resigned effective COB 7/8/94 to accept a position in the US Postal Services, 4 assigned to train as security guards in Institutional Police Department, 1 assigned to AIDS office, 4 assigned to LHH laundry, and 1 assigned to LHH Housekeeping. Of the 2770 classification: 1 assigned to SFGH Messengers and 1 assigned to LHH Laundry.

In addition, 3 employees voluntarily took a leave to accept 9910 positions: 1-2770 Sr. Laundry Worker and 1-2760 Laundry Worker are being trained in SFGH Security; 1-2760 Laundry Worker is being trained in SFGH Radiology Department performing clerical duties.

What percent of a City employee's time is spent on services to be contract out?

Approximately 2% or less of an Assistant Hospital Administrator's (classification 2143) time would be spent on administering this contract.

How long have the services been contracted out? 4 years (since July 1, 1994).

How will contract services meet the goals of your MBE/WBE Action Plan? Contractor will be selected through a competitive bid process. All interested MBE/WBE/LBE will be notified and will be encouraged to bid.

H. Dwight Starr, Director
DPH Materials Management
 Department Representative

206-5088
 Telephone

Item 2 – File 98-1120

Department: Department of Human Resources (DHR)
Department of Public Works (DPW)

Item: Ordinance authorizing the settlement of a pay grievance of Mr. Mark Dorian, filed against the City pursuant to the Memoranda of Understanding (MOU) between the International Federation of Professional and Technical Engineers, Local 21, AFL-CIO, in the amount of \$18,000.

Description: The proposed ordinance would approve a settlement against the City in the amount of \$18,000 for a grievance filed on behalf of Mr. Mark Dorian by the International Federation of Professional and Technical Engineers, Local 21, AFL-CIO.

Comment: The Department of Public Works and the Department of Human Resources have requested that this item be continued for one week to the Finance Committee meeting of July 29, 1998.

Recommendation: Continue the proposed ordinance to July 29, 1998, as requested by the Departments.

Item 3 - File 98-1141

Department: Department of Human Services (DHS)

Item: Resolution approving a contract between the City and County of San Francisco and Addus HealthCare for the provision of In-Home Supportive Services (IHSS) for the period from July 1, 1998 to July 31, 1998, in the amount of \$687,000.

Amount: \$687,000

Source of Funds:

General Fund monies included in DHS's FY 1998-99 budget	\$206,100
Federal and State Medicaid Funds included in DHS's FY 1998-99 budget	<u>480,900</u>
Total	\$687,000

Description: In-Home Supportive Services (IHSS) is an entitlement program which provides funding for low-income seniors and disabled people to receive non-medical personal care and other household assistance in their homes from visiting workers. IHSS care can allow seniors and disabled persons to remain in their own homes and thereby avoid unnecessary and expensive hospitalization or institutionalization. IHSS workers function (a) as independent providers; (b) through a contract between DHS and the IHSS Consortium, which consists of non-profit providers of services; or (c) through a contract between DHS and Addus HealthCare, a private provider of services.

In 1994, the Board of Supervisors approved two contracts for IHSS services, one with the IHSS Consortium and one with Addus HealthCare, for the period from October 1, 1994 through June 30, 1997, with an option to renew for one year. These contracts both expired on June 30, 1998. Although DHS had negotiated new contracts with both of these entities for the period from July 1, 1998 through June 30, 2001, because of a delay in the State's approval of a new IHSS contract rate, DHS was unable to implement these contracts on July 1, 1998. As of the writing of this report there is currently legislation pending before the Board of Supervisors to approve two new contracts with the IHSS Consortium and

Addus HealthCare for the period from August 1, 1998 through June 30, 2001 (Files 98-934 and 98-935).

In order to prevent a disruption in service between June 30, 1998, when the existing contracts expired, and August 1, 1998, when the two new contracts commence, the proposed resolution would authorize a one-month extension of the existing contract with Addus HealthCare for the period from July 1, 1998 through July 31, 1998. The Human Services Commission approved the proposed one-month contract extension with Addus HealthCare on June 25, 1998.

Under the proposed contract extension, Addus HealthCare would operate under the same terms and conditions as provided for in the existing contract. Addus HealthCare would provide 50,000 hours of service at an hourly rate of \$13.74 per hour, for a total cost of \$687,000, from July 1, 1998 through July 31, 1998. The hourly rates include wages paid to IHSS workers, benefits, training, travel, insurance and administrative costs. The total amount of the existing Addus HealthCare contract from October 1, 1994 through July 31, 1998 would therefore increase from \$29,213,000 to \$29,900,000.

A one-month extension of the existing contract with the IHSS Consortium, from July 1, 1998 through June 30, 1998, has also been approved by the Human Services Commission. However, according to Mr. Anthony Nicco of DHS, the one-month extension of the existing IHSS Consortium contract does not require Board of Supervisors approval because, unlike the Addus HealthCare contract, the total amount of the IHSS Consortium contract (including the one-month extension) is less than the \$10 million threshold requiring Board of Supervisors approval.

Comment: Since the contract extension was scheduled to commence on July 1, 1998, the proposed resolution should be amended to provide for retroactive approval to July 1, 1998.

Recommendations: 1. Amend the proposed resolution to provide for retroactive approval to July 1, 1998.
2. Approve the proposed resolution as amended.

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Items 4 and 5 – Files 98-1083 and 98-1111

Department: Department of Parking and Traffic (DPT)

Item: File 98-1083: Resolution authorizing the Executive Director of the Department of Parking and Traffic to execute a four year contract between the City and County of San Francisco and PRWT Services Inc. for an automated parking citation processing and collections system, including handheld ticket writing devices.

File 98-1111: Resolution concurring with the Controller's certification that the proposed contract with PRWT Services Inc. for an automated parking citation processing and collections system can practically be performed by a private contractor for a lower cost than similar services performed by City and County employees.

Contract Amount: The contract cost is based on a fee per parking citation processed. DPT assumes 2,274,000 citations will be processed in the first contract year at a total cost of \$5,368,060. The estimated value of the four year contract is \$20,903,740.

Source of Funds: The source of funds for the contract is the revenue collected from parking citations.

Term of Contract: Four years, with an option to renew up to four additional years.

Description: On November 1, 1993, the Department of Parking and Traffic (DPT) assumed responsibility for processing and collecting parking citation fines from the Trial Courts, following a State law that decriminalized parking violations. In FY 1997-98, the City budgeted parking fine revenue of \$49,800,000, of which \$1,200,000 is allocated to the Port, and the remaining \$48,600,000 is allocated to fund operations of the Municipal Railway.

Following several years of efforts to automate and improve the efficiency of the citation and collection process, in August of 1997 DPT issued a Request for Proposals (RFP) for a comprehensive parking citation

processing and collections system that would supply the Department with three major system components:

- A hand-held parking citation issuance and reporting system, consisting of electronic hand-held ticket writers, personal computers, supporting software, networking capabilities, and support services,
- A parking citation processing system to serve as a central repository of information about citations issued and consisting of a variety of computer and hardware, software, management and support services, and
- Support services of an Out-of-State and Special Collections Program, which will pursue collections from vehicles registered out of State and from motorists that have relocated, transferred vehicle ownership, or are otherwise difficult to collect, called special collections.

DPT mailed the RFP to a list of 86 individuals and firms. DPT received six responses: four letters from companies declining to submit a proposal, one proposal for a single component of the project (which was therefore found to be non-responsive) and one proposal, which was considered to be responsive to the RFP, from PRWT Services Inc., who has formed a team of subcontractors to provide the broad range of services required under the RFP, as listed below:

- | | |
|------------------------------------|---|
| • PRWT | Project management, local operations, collections, training, and subcontractor reporting. |
| • Lockheed Martin | Proprietary software system Ticket Information Management System (TIMS) to serve as the Parking Citation Processing System (PCPS) and interface with California and out of State Departments of Motor Vehicles (DMV). |
| • Duncan Management Solutions Ltd. | 250 handheld ticket writers and a data capture system. |
| • Bank of America | Lockbox processing. |
| • Direct Mail Center | Mailing services. |
| • Ace Mailing | Data entry services. |

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- Delta Computer Hardware procurement, network Solutions installation and maintenance, hardware training and support, and software engineering and development.

The RFP was advertised in the San Francisco Independent for one day Tuesday August 19, 1997, in accordance with the requirements contained in Section 16.112 of the Charter. Attachment 1 is a memo from DPT explaining why only one of the 86 individuals and firms which were notified of the RFP submitted a responsive bid.

According to DPT, an Evaluation Committee consisting of seven City employees, including four staff members of DPT and one representative each from the Department of Telecommunications & Information Services, the Information Technology Group of the Trial Courts, and the Purchasing Department, reviewed the proposal. The evaluation process included a check of the references for PRWT, a review of the Dun & Bradstreet ratings of PRWT, cost comparison of upgrading the existing DPT system versus the PRWT contract versus developing an automated system with the PRWT features using City staff, a test comparison of handheld ticket writing devices (which led to the selection of Duncan Management Solutions), and site visits to and survey of other cities using PRWT, Lockheed, and/or Duncan handheld devices.

In a Dun & Bradstreet report dated December 24, 1997, Dun & Bradstreet rated PRWT 1A3, which indicates a net worth in the range of \$500,000-\$750,000 and a "Fair" credit appraisal. "Fair" is the third of four rankings, with 1 being High, 2 being Good, and 4 being Limited. According to the Dun & Bradstreet report, a fair rating was given to PRWT because the company owes four payments that are 60 days or more past due, which total \$1,450. According to the Dun & Bradstreet report, in 1996, PRWT had an annual income of \$17,881,771, with retained earnings of \$820,481. A comparison of PRWT's financial statements in June of 1997 and November of 1997 shows an increased flow of income. The report also shows that there are no lawsuits, tax liens, or claims filed against PRWT, and that each of the officers of the

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company has been employed since the founding in 1988. PRWT's CPA firm issued an opinion, dated December 31, 1996, which stated that the company's financial statements meet generally accepted accounting principles and that the audit contains no qualifications.

According to DPT, the Evaluation Committee determined that the proposal submitted by PRWT: (1) meets all of the technical and service requirements of the RFP, (2) offers substantial public service benefits and presents the best opportunity for modernizing the City's citation issuance and collection system, and (3) will result in an estimated net revenue increase of \$971,400 to DPT in the first contract year.

Current DPT Citation Processing and Collections

Parking citations are issued by Parking Control Officers (PCOs) who hand write violation information onto preprinted, duplicate citation forms. The citations are sent by courier to Bank of America, a DPT contractor who enters the handwritten data into a database. Within 10 to 15 working days of citation issuance, the information is (1) transmitted to DPT's ticket database, which is actually maintained by the Information Management Division of the Trial Courts, (2) the name and address of the registered owner of the vehicle receiving the citation is retrieved from State DMV, and (3) notifications are mailed to the registered owner.

Citation recipients may request additional information about a citation or protest a citation from DPT in person, by telephone, or by mail. According to DPT, due to the degree of manual research required to locate citation information and the lack of integrated service delivery, such actions currently take four to six weeks to resolve.

Citations may be paid in person at 1380 Howard Street, 370 Grove Street, by telephone, or by mail. Mailed payments are sent to a post office lockbox, from which Bank of America collects, processes and deposits payments into the City's Parking Fine account within 24 hours of receipt.

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Proposed PRWT Citation Processing

Under the proposed contract with PRWT, PCOs would issue citations by entering the violation and vehicle data directly into an electronic handheld ticket writing device, which prints tickets on paper that is waterproof and tear resistant. At the end of each PCO shift, the handheld device will be downloaded into the DPT network database. Detailed information regarding each citation will be available to DPT the following day. Notifications could be mailed to registered owners as early as three working days after issuance.

Under the proposed system, DPT staff will be able to conduct immediate, online research in order to provide service to citation recipients who request additional information about a citation or protest a citation.

Citations may still be paid in person at 1380 Howard Street, 370 Grove Street, by telephone, or by mail. Mailed payments will be sent to the same post office lockbox, from which Bank of America will continue to collect, process and deposit payments the City's Parking Fine account within 24 hours days.

Benefits of the Proposed PRWT Contract

The primary difference between the current DPT system of processing citations and the proposed system offered by the PRWT contract is that citation data will be input and managed electronically, instead of manually. According to DPT, integrated electronic data will lead to improved revenue collection, and expanded collection activities would be performed by PRWT. Access to electronic data will also improve the efficiency of DPT operations and increase the level of customer service. Finally, certain DPT citation processing costs will be borne by PRWT which will lead to additional savings. Each of these benefits is discussed below.

Increase Revenue Collection

Currently, DPT collects approximately 53 percent of parking citation fine revenue from recipients by issuing tickets and mailing notification to registered owners.

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Approximately 14 percent of fine revenue, along with late penalties, is collected by DMV (and forwarded to the City) during vehicle registration processes. Also, approximately 2 percent of fine revenue is collected by City Tow after a vehicle has been towed and by the Residential Permit Program at the time a residential permit is issued or renewed. Overall, this results in a total DPT collection rate of 69 percent.

As shown in Attachment 2, 2,274,000 parking citations were issued in FY 1997-98, with a total value of \$72,173,913. Of this total value, \$49,800,000 was collected, or approximately 69 percent, with 31 percent, or \$22,373,913 uncollected. DPT estimates the value of uncollected citations between May 1994 and May 1998 as approximately \$70,000,000. The amount is reduced each year as citations are either collected or expire as a result of the five year statute of limitations.

Under the proposed contract with PRWT, DPT estimates that an additional two percent of parking fine revenue will be collected in the first contract year, increasing to 8 percent by the fourth contract year, for a final collection rate of 77 percent for all citations issued.¹ DPT estimates that the two percent increased collection rate will yield increased revenues to DPT of \$1,227,960 in the first contract year. Increased parking fine revenue collection will also result from the following activities:

- Increased Enforcement

Under the proposed PRWT contract, PCOs will be able to identify vehicles with five or more unpaid citations (scofflaws) because such information will be downloaded from the network database into the handheld devices each day. PCOs will then be able to boot or tow such scofflaw vehicles, and vehicle retrieval requires owners to pay the fines for all outstanding citations. Currently, the only way for scofflaws to be identified is by PCOs themselves

¹ Based on DPT's experience and PRWT's experience in other cities, it is assumed that approximately 20 percent of citations are ultimately uncollectable, largely due State law which allows vehicles to be transferred without payment of outstanding citations. As such, 80 percent of citations are collectable and DPT expects to collect 77 percent under the contract with PRWT. The remaining 3 percent are either dismissed following protest, dismissed in lieu of community service, or are issued to vehicles that become totaled or non operational.

recognizing a vehicle as having received several citations and then researching records to determine if there are five or more unpaid citations.

- Special Collections

Out-of-State Citations: Currently, DPT does not collect delinquent citations given to vehicles with Out-of-State licenses or to vehicles registered in California with Out-of-State owners. According to Mr. Shannon Anderson of DPT, such collections are not cost effective because they require a legal agreement with, and computer software specific to, each State. Under the proposed PRWT contract, Lockheed Martin, the subcontracted provider of the Ticket Information Management System (TIMS), has the necessary agreements and software for 49 states (except Arizona), the District of Columbia, and two Canadian Provinces.

Difficult to Collect Citations: Citations issued to vehicles with owners that have relocated, transferred vehicle ownership, or received citations in rental cars require special collections activities. Currently, DPT's staffing and information management system does not allow cost effective special collections. However, under the proposed contract, PRWT will conduct skip tracing (specialized research to determine a person's whereabouts) and other methods to pursue citation recipients for payment.

As shown in Attachment 2, special collection activities to be performed by PRWT are expected to yield additional revenues to DPT of \$3,811,500 in the first contract year.

Therefore, total estimated increased revenues in the first year equals \$5,039,460 (\$1,227,960 from the two percent increase in the collection rate and \$3,811,500 from special collections).

Improved Operational Efficiency and Customer Service

In addition to increased revenue collection purported by DPT and PRWT, an integrated citation processing and collection system will also yield improved operational efficiency and customer service, which are non-

quantifiable benefits to the public and the City, as discussed below.

- Significant reduction in the number of citation errors caused by handwriting and data-entry practices as a result of implementing handheld ticket writing devices.

According to DPT, approximately 90 percent of the errors on parking citations which lead to protest by motorists are caused by either illegible handwriting on the citation or data entry errors. Under the proposed contract with PRWT, both types of errors will be significantly reduced because the information for parking citations will be entered by a PCO directly into a handheld electronic ticket writing device, which will print the ticket in a computerized format. Data from the handheld devices will be downloaded into the network database at the end of each PCO shift, thereby eliminating the need for data entry. DPT estimates \$1,234,406 in savings from the elimination of such errors, and this savings is included in DPT's estimates of increased collection rates.

- More responsive and efficient service to citizens paying or protesting parking citations.

Currently, parking citations are printed with the ten most common violations codes, descriptions, and the associated fine amounts. If a motorist is cited for one of these common violations, the PCO simply checks the appropriate box. However, if a motorist is cited for a violation not defined on the ticket, the PCO writes the numeric code for the violation and the fine amount. A description of the violation is not included, and this lack of information often leads to inquiry and/or protest, which is further complicated by the fact that it takes 10 -15 working days for the Trial Courts' Simplified Automated Traffic System (SATS) to be updated and for microfilm of the citations to be available to DPT staff. As such, if a citizen inquires the day after a citation is issued, they are told to call back in ten days.

Under the proposed contract, the handheld ticket writing devices will automatically print the violation code, a description of the violation and the fine amount, which

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DPT estimates will reduce the number of inquiries and increase DPT ability to respond to inquiries and protests.

- DPT will be able to identify stolen and abandoned vehicles more efficiently.

Currently, a daily list of stolen vehicles is sent from the Police Department to DPT, which is copied and distributed to PCOs. Under the proposed system, license plate numbers of stolen vehicles will be input into the DPT network database, and uploaded into each handheld device. If a PCO enters the license of a stolen vehicle into the handheld device in order to issue a citation, a warning will be sounded and the PCO will be able to immediately notify DPT dispatch.

- New management reports will be used to make better decisions about deployment, resulting in improved enforcement in problem areas.

Currently, reports needed by DPT management to make deployment decisions require manual research. For example, if the DPT Enforcement Director wants to know the geographic distribution of citations issued in a particular neighborhood, an employee would have to manually search for citations issued by PCOs assigned to that area, and compile the geographic distribution of each citation. Under the proposed PRWT contract, such a report could be printed after following a quick, menu-driven query of the network database.

- A new system for managing the residential parking permit program, which will improve service to the 60,000 City residents using this program.

Outstanding parking citations must be paid before a Residential Parking Permit is issued. Currently, DPT staff working in the Residential Parking Permit (RPP) Program are able to determine the total amount of outstanding parking citations issued to a vehicle only – no detail regarding citation codes, descriptions, citation date, or fine amounts is available. As such, residents typically submit inquiries to DPT, which as noted above, can take up to six weeks to research.

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Under the proposed PRWT contract, a module of the Lockheed TIMS will be customized to meet RPP Program needs. The Residential Parking Permit computer system will then be integrated with the Citation Division, and detailed information will be accessible to the Residential Parking Permit staff. Notices of outstanding citations will be included with the renewal forms mailed to current holders of residential parking permits. According to DPT, by providing residents with advance notice of citations that must be paid, the process of renewing residential parking permits will be quicker and more responsive to citizens.

- An expanded information system to support decision making in DPT's Hearing Division and Traffic Operations Division

Citation protest is in two steps: first, an Administrative Review is conducted to consider the factual accuracy of a ticket. If a citation is upheld (found to be valid by the Administrative Review staff) a citizen may appeal the decision with the Hearing Division. Currently, Hearing Officers must retrieve a microfilm copy of the original citation and must conduct manual research in order to respond to citizen claims. Under the proposed automated information system offered by PRWT, an electronic version of the original citation will be available at every Hearing Officer's personal computer. According to DPT, this will significantly reduce the wait time required to schedule a hearing and the turnaround time for a decision.

SATS, the current citation information management system used by the Trial Courts, evolved from the criminal court calendaring system. It was not designed to be used as an information system for parking tickets. Under TIMS, the Ticket Information Management System provided by the subcontractor Lockheed Martin, Hearing Officers (and all qualified DPT staff) will be able to access menus and screens showing all information related to a particular citation.

The proposed contract with PRWT also includes a messaging system that would be used to relay information

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gathered by PCOs in the field about broken meters, curbs that need painting, and signs in need of repair or replacement to the Traffic Operations Division. Currently, information about meters, curbs, and signs is gathered by conducting routine surveys and inspections performed in response to protests.

DPT Savings

In addition to the above described collection enhancements, the proposed contract with PRWT includes provisions which will lead to savings of current DPT costs: (1) PRWT would assume the \$300,000 annual fee for Lockbox processing, (2) PRWT will provide the special paper used to print the new electronic citations, a savings of \$300,000 annually, (3) use of handheld ticket writing devices will reduce the data entry requirements by \$400,000, and (4) various savings in microfilm costs, DPT forms, and production and mailing of notices which total \$300,000, for a total annual savings of current DPT costs of \$1,300,000. DPT savings are reflected in the cost-benefit analysis shown in Attachment 4.

The Mayor's recommended FY 1998-99 budget included net increased expenditures for the PRWT contract, less DPT expenditure savings, based on a contract start date of October 1, 1998. Likewise, Parking Fine revenue transferred to the Muni has also been included in the budget based on a system start date of October 1, 1998. Presently however, the system is not expected to be fully implemented until January 1, 1999. Mr. Matthew Hymel, Mayor's Director of Finance, states that any shortfall in Muni's Parking Fine revenues will be offset by decreased expenditures for contract payments to PRWT.

Cost of the Proposed Contract with PRWT

The cost of the proposed PRWT contract, shown in Attachment 3, is based on a fee per parking citation issued. In FY 1997-98, DPT issued 2,274,000 parking citations, which DPT assumes to be constant throughout the proposed four year contract with PRWT.

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Citation Processed per Year	PRWT Year 1 Fees	PRWT Year 2 Fees	PRWT Year 3 Fees	PRWT Year 4 Fees
First 2 million	\$2.39	\$2.34	\$2.29	\$2.29
Next 250,000	\$2.19	\$2.14	\$2.09	\$2.09
Next 250,000	\$1.69	\$1.64	\$1.59	\$1.59
Next 250,000	\$1.18	\$1.14	\$1.13	\$1.13
Next 250,000	\$0.93	\$0.93	\$0.93	\$0.93
Over 3 million	\$0.73	\$0.73	\$0.73	\$0.73

Using the pricing structure above and assuming issuance of 2,274,000 citations, the total costs for the first year of the PRWT contract would be \$5,368,060. Such costs will decline each year, until year four when the cost of processing the same 2,274,000 citations would be \$5,140,660. By pricing the contract using a fee per citation structure, the contract provides that if fewer citations are issued, the cost is reduced. If ticket issuance is higher than expected, the cost (and related revenue) increases.

In addition to the fee per citation, PRWT will receive 34 percent of all fees collected on Out-of-State and special collection citations that are referred by DPT and for which DPT and the City is otherwise unable to collect through its regular collection processes. The City will receive the remaining 66 percent on such special collections.

Summarized Cost-Benefit Analysis

A summarized Cost-Benefit Analysis for the proposed contract with PRWT, as prepared by DPT is shown in detail in Attachment 4, as follows:

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>
Contract Cost	(\$5,368,060)	(\$5,254,360)	(\$5,140,660)	(\$5,140,660)
Savings in DPT costs	1,300,000	1,300,000	1,300,000	1,300,000
Additional Revenues	<u>5,039,460</u>	<u>5,095,920</u>	<u>4,508,880</u>	<u>4,911,840</u>
Net Revenue	\$971,400	\$1,141,560	\$668,220	\$1,071,180

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DPT's estimate shows additional costs of \$5,368,060 to process tickets, offset in the first contract year by savings of \$1,300,000 and additional revenues (benefits) of \$5,039,460, for a net revenue gain of \$971,400 in the first contract year.

Proposition J

The proposed resolution, File 98-1111, under Charter Section 10.104.15, would approve the Proposition J Controller's certification that the services to be provided an automated Parking Citation Processing and Collection system can be practically performed by a private contractor at a lower cost for Fiscal Year 1998-99 than similar services provided by City and County employees.

The Controller has determined that Parking Citation Processing and Collection System for FY 1998-99 would result in estimated savings as follows:

<u>City Operated Service Costs</u>	<u>Step 1</u>	<u>Step 5</u>
Personnel Costs:		
Salaries	\$605,111	\$715,783
Fringe Benefits	<u>174,122</u>	<u>191,176</u>
Total Estimated City Cost	779,233	906,959
 Estimated Contractual		
Services Cost	<u>647,752</u>	<u>647,752</u>
 Estimated Savings	\$131,481	\$259,207

Comments:

1. If this subject legislation is approved, under the proposed contract, DPT and PRWT would phase in the delivery of training and equipment needed for PCOs to begin using handheld electronic ticket writing devices. DPT expects full use of handheld devices by PCOs six months after Full System Acceptance (see Comment 2).

2. According to Mr. Anderson, the City's continued collection of parking citation revenue is protected by several provisions in the proposed contract with PRWT, including: (1) a \$500,000 performance bond through the

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term of the contract, (2) in the event of default by the primary contractor, PRWT's subcontracts would be assigned to the City, thereby ensuring continued performance under the contract by the subcontractors, (3) in the event that the contract is terminated before the term end, the City will have access to the source code for the software for the ticket information management system and all supporting subsystems, which will be kept in escrow throughout the term of the contract, the City will have the option of purchasing the hardware, and all existing data would be accessible to the City, (4) a \$5,000,000 fidelity bond in the event of employee or corporate theft, (5) liquidated damages for PRWT's failure to meet specified performance standards and (6) there must be Full System Acceptance by DPT, defined by nine different steps that must be achieved, before the City accepts the system and begins payment to PRWT. The contract states that Full System Acceptance must occur within 90 days. There is no payment to PRWT until Full System Acceptance is achieved; however, there is also no penalty if PRWT fails to meet the 90 day deadline. Until Full System Acceptance is achieved, DPT will continue processing citations and collecting fine revenues using current practices.

According to Ms. Angela Karikas of the City Attorney's Office, the above protections were drafted specifically to protect the revenue stream the City receives from parking citations under the proposed contract with PRWT.

3. Mr. Anderson states that if none of the expected increases in citations collections are realized, thereby resulting in no net gain to the City and leaving the City owing PRWT \$5,368,060 in contract fees the first year, the City would have several options that could be used separately or in combination to reduce or prevent a revenue shortfall, including: (1) increase parking citation fines, (2) modify deployment of PCOs to yield issuance of higher value citations, and (3) increase the number of citations issued.

4. According to Mr. Anderson, DPT negotiated a contract which obtained for the City a more favorable price per citation payable to PRWT (see Attachment 3) than any

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other City currently under contract with PRWT/Lockheed for similar services. For example, the City of Los Angeles pays \$2.44 per citation for the first 2.4 million citations versus \$2.39 for the first 2.0 million citations and \$2.19 for the next 250,000 citations under this proposed contract.

5. As noted above, the proposed PRWT contract includes Lockheed Martin as a subcontractor providing TIMS, a proprietary software Ticket Information Management System and interface with California and Out-of-State Department of Motor Vehicle Agencies. In DPT's evaluation of the PRWT proposal, DPT considered the fact that the State of California Child Welfare Agency cancelled a development contract with Lockheed Martin due to disagreements about the scope of work and nonperformance. According to Mr. Anderson, DPT is comfortable with Lockheed Martin's participation in the PRWT contract because the company is using a proven product which is satisfactorily employed in 80 other California cities and 20 cities nationwide.

6. According to Mr. Anderson, the added efficiencies that would be gained by the proposed contract with PRWT to automate citation information will result in better customer service. Mr. Anderson reports that currently there is limited staff to be responsive to public inquiry at the 1380 Howard Street window and on the telephone. As a consequence of having a high volume of manual work, the public is often given long wait times, incomplete and delayed responses, and a lack of listening time from DPT staff. Mr. Anderson advises that with an automated system for managing and retrieving citation information, all aspects of public interaction regarding citation processing and collection will be faster and more accurate.

7. According to DPT, approximately 94 percent of the parking citations issued in the City are issued by DPT's Parking Control Officers (PCOs). The remaining 6 percent are issued by Police Officers and other ticketing agencies including the Community College District. If the proposed contract is approved, handheld electronic ticket writing devices would be provided to all DPT PCOs; however, SFPD and other ticketing agencies would continue to

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issue hand written parking citations, which would be processed in the same manner currently used for hand written parking citations, except that the data would be entered by Ace Mailing, the data entry subcontractor in the proposed contract, instead of Bank of America.

8. According to references included in PRWT's proposal shown in Attachment 7, which have verified by DPT according to Mr. Anderson, PRWT/Lockheed is currently contracted to provide similar services to Los Angeles, Boston, Philadelphia, the District of Columbia, and New Orleans. The Duncan Management System handheld devices are currently being used in Los Angeles, Denver, and Tallahassee.

9. The Controller's supplemental Proposition J questionnaire, with DPT's responses, is Attachment 5.

10. As shown in the summary of costs and benefits on page 29, increased revenues of \$5,039,460 plus savings in DPT costs of \$1,300,000 (for a total benefit of \$6,339,460) are expected to exceed increased contract payments of \$5,368,060 by \$971,400 during the first full year of operation under the proposed contract. However, in the proposed contract with PRWT, there is no guarantee of increased revenue and no penalties are assigned to the contractor in the event that increased revenues are not realized. Therefore a degree of risk is associated with the implementation of the proposed contract in that increased revenues may not be realized in sufficient amounts to offset the increased costs for parking citation processing. As stated in Comment 3, above, DPT reports that the City would have several options to reduce or prevent a revenue shortfall, include: (1) increasing the parking citation fines, (2) modifying the deployment of PCOs to yield issuance of higher value citations, and (3) increasing the number of citations issued. Such options pose significant policy issues and therefore may not be implemented. Therefore, because of the risk that increased revenues may not be realized, and because the DPT's solutions to such a loss of revenue would require consideration of significant policy issues that may not be implemented, the Budget Analyst concludes that approval of the proposed contract is a policy matter for the Board of Supervisors.

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- Recommendations:**
1. Approve the proposed resolution, File 98-1111, the Controller's Proposition J certification.
 2. Approval of the proposed resolution, File 98-1083, to authorize the proposed contract, is a policy matter for the Board of Supervisors.



Attachment 1
Page 1 of 2

City and County of San Francisco



WILLIE LEWIS BROWN, JR., Mayor
STUART R. SUNSHINE, EXECUTIVE DIRECTOR

MEMORANDUM

July 15, 1998

TO: Taylor Emerson, Budget Analyst

FROM: Steve Bell, Contract Administrator *SB*

RE: Response to Question on "Why DPT Received only one Bid" in Response to RFP for a Comprehensive Citation Processing and Collections System, including Hand Helds

Here is some background information related to the response the Department received to its RFP.

At the time the RFP for citation processing services was being drafted, there were discussions among DPT, Trial Courts and DTIS staff and the consultant about competition in this industry and the ability of potential vendors to meet the City's requirements. This group realized that the number of qualified firms for the citation processing component may be as few as three or four. We also realized that a piecemeal approach to contracting for the three major components (citation processing, hand held ticket writers and miscellaneous & out-of-state collections) would leave the Department with a significant number of technical coordination issues related to the vendors' information systems, as well as a diluted state of contractor accountability and operational efficiency. As a result of these discussions, and in the interest of encouraging competitive proposals and local vendor participation, the Department chose an RFP approach in which a primary contractor could form a team of qualified vendors and coordinate technical and implementation issues to meet the City's requirements.

The Department was disappointed that only one responsive proposal was received and the Evaluation Committee and our consultant speculated the reasons why. Much of this speculation was based on certain information that the Committee had obtained during the development of the RFP and client reference checks. This information included:

- Lockheed Martin IMS was one of only two firms which had significant experience in processing large volumes of parking citation data in the U.S. (the other firm is EDS).
- EDS, which had recently completed negotiations with Toronto officials for the sale/licensing of their software, told Toronto officials that it was no longer pursuing contracts for parking citation processing services and was only interested in selling and/or licensing its software.

- Knowledge that the City of Oakland had entered into a contract for citation processing services with a firm which didn't have a proven system and ended resulted in significant revenue losses due to the contractor's poor performance (see attached article).
- Los Angeles Dept. of Transportation officials informed us that only two firms submitted responses to their RFP (which was for services similar to those in the City's RFP). The two firms were the Lockheed/PRWT team and the City of Inglewood. Los Angeles officials informed us that the City of Inglewood was not able to provide all the requested services and that they rejected the Inglewood bid as non-responsive.

There were several vendors who responded to our RFP but chose not to bid. These companies included: Clancy Systems International, KPMG Peat Marwick, Software Science, Inc and Turbo Data Systems, Inc. I have attached a copy of the letters we received from these organizations.

Parking Citation Revenues

Baseline Data				
1	Total Citations Issued	2,274,000		
2	Total Net Revenue	\$ 49,800,000		
3	Average Citation Payment	\$ 33.00		
4	Average Bail Amount	\$ 27.00		
5	Current Collection Rate	69%		
6	Number of payments	1,569,060		
		Year 1	Year 2	Year 3
	Citations Issued	2,274,000	2,274,000	2,274,000
7	Add'l payments per 1 % increase	22,740	22,740	22,740
8	Collection Rate	71%	73%	75%
9	% Increase in collection rate	2%	4%	6%
10	Total addtl payments	45,480	90,960	135,440
11	Average payment amount	\$ 27.00	\$ 27.00	\$ 27.00
12	Additional revenues	\$ 1,227,960	\$ 2,455,920	\$ 3,683,880
Special Collections				
13	Est'd value of unpaid citations	\$ 70,000,000	\$ 40,000,000	\$ 10,000,000
14	Est. of collectible portion	\$ 17,500,000	\$ 10,000,000	\$ 2,500,000
15	Projection of actual recoveries	\$ 5,775,000	\$ 4,000,000	\$ 1,250,000
16	Less vendor fee of 34%	\$ 1,963,500	\$ 1,360,000	\$ 425,000
17	Additional revenues to DPT	\$ 3,811,500	\$ 2,640,000	\$ 825,000
18	Total additional revenues	\$ 5,039,460	\$ 5,095,920	\$ 4,508,880

Revised 7/16/98

1 Based on FY 98-99 DPT Preliminary Budget Forecast

2 Based on FY 97-98 DPT Budget

3 Based on analysis of three years data from Citation database; verified through sampling

4 Based on two years data on all citations issued.

5 Based on analysis of three years data from Citation database; verified through sampling

6 The number of payments based on a 69% collection rate times the number of citations issued

7 Calculation of 1% times the number of citations issued

8 Projected collection rate to be achieved by vendor in each successive year of the contract.

9 Net increase in collection rate.

10 Additional payments as calculated by the % increase times number of citations issued.

11 Average bail amount of citations issued.

12 The number of addtl payments times average payment amount.

13 Estimated value of unpaid citations dating back to fall 1994; the amount is reduced each year as tickets are either collected or pass the five-year statute of limitations.

14 Based on PRWT/Lockheed's experience in other cities, especially Los Angeles, approx. 20% of all citations are ultimately uncollectible; consequently only a portion (up to 80% of all tickets issued) can be reasonably expected to be collectible accounts.

15 Within the portion of backlog tickets which may be collectible, we estimate an actual collection rate of 33%, 40% and 50% in the first, second and third year of the contract respectively.

16 The vendor's fee on special collections is 34% of the amount collected.

17 Net revenue DPT receives after vendor's fee.

18 Total revenues from increased collection rate and special collections.

Citation Processing Fees

Fee Structure	Year 1	Year 2	Year 3	Year 4
First 2 million	2.39	2.34	2.29	2.29
next 250K	2.19	2.14	2.09	2.09
next 250K	1.69	1.64	1.59	1.59
next 250K	1.18	1.14	1.13	1.13
next 250K	0.93	0.93	0.93	0.93
over 3 million	0.73	0.73	0.73	0.73
Citations Issued/Processed	1998-99	1999-00	2000-01	2001-02
First 2 million	2,000,000	2,000,000	2,000,000	2,000,000
next 250K	250,000	250,000	250,000	250,000
next 250K	24,000	24,000	24,000	24,000
next 250K	-	-	-	-
next 250K	-	-	-	-
Total Citations Issued/Processed	2,274,000	2,274,000	2,274,000	2,274,000
Costs	Year 1	Year 2	Year 3	Year 4
First 2 million	4,780,000	4,680,000	4,580,000	4,580,000
next 250K	547,500	535,000	522,500	522,500
next 250K	40,560	39,360	38,160	38,160
next 250K	-	-	-	-
next 250K	-	-	-	-
Total Processing Costs	\$ 5,368,060	\$ 5,254,360	\$ 5,140,660	\$ 5,140,660

Parking Citation Processing Costs and Revenue Projections

	Year 1	Year 2	Year 3	Year 4
1 Expenses				
2 Number of citations issued	2,274,000	2,274,000	2,274,000	2,274,000
3 Average cost per citation	\$ 2.36	\$ 2.31	\$ 2.26	\$ 2.26
4 Processing fees	\$ 5,368,060	\$ 5,254,360	\$ 5,140,660	\$ 5,140,660
5 Savings in DPT processing costs	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
6 Lockbox savings to Treasurer (General Fund)	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000
7 Additional processing costs to DPT	\$ 4,068,060	\$ 3,954,360	\$ 3,840,660	\$ 3,840,660
8 Additional savings to CCSF (Trial Court Costs)	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Note: The savings from the Trial Courts is not added to the figures shown in this analysis and is shown for informational purposes only.				
9 Revenues				
10 Collection Rate	71%	73%	75%	77%
11 Revenue from higher collection rate	\$ 1,227,960	\$ 2,455,920	\$ 3,683,880	\$ 4,911,840
12 Revenues from special collections	\$ 3,811,500	\$ 2,640,000	\$ 825,000	\$ -
13 Additional revenues	\$ 5,039,460	\$ 5,095,920	\$ 4,508,880	\$ 4,911,840
14 Net Revenue Gain to DPT/CCSF	\$ 971,400	\$ 1,141,560	\$ 668,220	\$ 1,071,180
Revised 7/16/98				

1	Expenses related to vendor's proposed fees
2	Number of citations issued.
3	Average cost per citation based on sliding scale of fees and citation issuance projections.
4	Processing fees based on fees times number of citations issued.
5	Savings resulting from notices (200K), citation stock (300K), keypunch (400K), microfilm (25K), mailing (25K) and RPP forms (50K).
6	Lockbox savings to Treasurer (General Fund)
7	Additional cost to DPT
8	Additional savings to CCSF (Trial Court Costs)
9	Revenues associated with vendor's collection activities.
10	Collection rate to be achieved each fiscal year.
11	Revenue from higher collection rate based on the additional payments.
12	Revenues from special collections based on backlog of unpaid citations.
13	Additional revenues
14	Net Revenue Gain to DPT/CCSF

CHARTER 10.104.15 (PROPOSITION J) QUESTIONNAIRE

DEPARTMENT: Parking And Traffic

CONTRACT SERVICES: Parking Citation Processing And Collections System

CONTRACT PERIOD: Four years from the date of approval and acceptance

(1) Who performed the activity/service prior to contracting out?

- *The computer processing is being performed (on a limited scale) by the Trial Court Computer Information Services Group.*
- *The Residential Parking Permit System software is owned by a private company with maintenance being contracted to the owner/developer of the programs.*
- *The City does not currently use handheld ticket writing devices or related software.*
- *The City does not have resources to pursue Out of State and Miscellaneous Collections.*

(2) How many City employees were laid off as a result of contracting out?

No City employees will be laid off as a result of this contract being awarded.

(3) Explain the disposition of employees if they were laid off

N/A

(4) What percentage of City employees' time is spent of services to be contracted out?

The services to be provided by the contractor are so integral to our operations that we will monitor the contractor's performance on a daily basis at numerous levels of services provided. In addition to the above the Departments Contract Administrator is estimated to spend an average of 25% of his time in monitoring this contract.

(5) How long have the services been contracted out? Is this likely to be a one-time or an ongoing request for contracting out

This will be an on-going request for contracting out the total package of services.

(6) What was the first fiscal year for a Proposition J Certification? Has it been certified for each subsequent year?

N/A

- (7) How will the services meet the goals of your MBE/WBE Action Plan?

The services are in compliance with our MBE/WBE Action Plan and have been certified by HRC.

- (8) Does the proposed contract require that the contractor provide health insurance for its employees? Even if not required, are health benefits provided?

The proposed contract has not begun but does not require the contractor to provide health insurance benefits. However, the contractor does provide health benefits to their employees

- (9) Does the proposed contractor provide benefits to employees with spouses? Is so, are the same benefits provided to employees with domestic partners? If not, how does the proposed contractor comply with the Domestic Partners ordinance:

The proposed contractor provides benefits to employees with spouses. The Proposed contractor will extend the same benefits to domestic partners with the next open period for enrollment. The proposer has been in communication with Cynthia Goldstein and she is satisfied that the proposer is earnestly intending to comply with the City's Domestic Partners ordinance..

Department Representative: Steve Bell

Telephone Number: 554-9825

Item 6 – File 98-1151

Department: Department of Public Health (DPH)
Community Substance Abuse Services (CSAS) Division

Item: Resolution authorizing the Department of Public Health (DPH), Community Substance Abuse Services (CSAS), to enter into a Combined Negotiated Net Amount (NNA) and Drug/Medi-Cal Agreement for the period July 1, 1998 through June 30, 1999 with the State of California, Department of Alcohol and Drug Programs (DADP), in the amount of \$15,986,354, as a condition of receiving State funds for substance abuse treatment; holding the State DADP harmless from any and all claims resulting from the agreement; authorizing and designating the Director of Community Substance Abuse Services to sign said agreement and to approve amendments, without subsequent approval of the Board of Supervisors, if such amendments result in less than 10 percent of the agreement amount.

Amount: \$15,986,354

Source of Funds: State of California, Department of Alcohol and Drug Programs (DADP)

Description: Under State law, San Francisco is reimbursed by the State DADP for the City's costs associated with providing various substance abuse services. In order to receive this reimbursement, which amounts to \$15,986,354 in State funds for FY 1998-99, the City must enter into a "Combined Net Negotiated Amount and Drug/Medi-Cal Agreement" with the State. This proposed resolution, which would authorize the Department of Public Health (DPH) to enter into the agreement with the State, is consistent with the funds approved in DPH's FY 1998-99 budget.

The Community Substance Abuse Services (CSAS) Division of DPH currently funds approximately 41 different alcohol and drug programs through a variety of non-profit organizations and agencies. Counties negotiate with the State to determine rates for different types of substance abuse services, and these rates are then

incorporated into an agreement between the State and the County for a total "net negotiated amount." Mr. Jim Stillwell of CSAS advises that the Net Negotiated Amount (NNA) refers to the amount of State DADP funds and Federal block grant funds for substance abuse services to be provided by the State DADP to the City.

The City also enters into an annual agreement with the State DADP, the "Drug/Medi-Cal Agreement," under which the City is reimbursed for substance abuse services provided to Medi-Cal recipients. Mr. Stillwell reports that, although the Net Negotiated Amount Agreement and the Drug/Medi-Cal Agreement have in the past come to the Board of Supervisors for approval as two separate agreements, since FY 1996-97, the State DADP has combined the NNA funds and the Drug/Medi-Cal reimbursement into one agreement, known as the Combined Agreement. The proposed resolution would approve the Combined Net Negotiated Amount and Drug/Medi-Cal Agreement for FY 1998-99.

Comments:

1. Since the Combined Agreement for FY 1998-99 commenced on July 1, 1998, the proposed resolution should be amended to provide for retroactive approval.
2. The Combined Agreement for FY 1998-99 would result in payment by the State DADP of \$15,986,354, or \$1,144,714 less than the year-end Combined Agreement for FY 1997-98 of \$17,131,068. Mr. Stillwell reports that the reduction in funding provided under the FY 1998-99 Combined Agreement from the level of the FY 1997-98 Combined Agreement results from:
 - A reduction of approximately \$372,000 in one-time Federal block grant funding used to alleviate the termination of eligibility for Supplemental Security Income (SSI) of persons with substance abuse problems;
 - A reduction of \$360,000 for a payment by the State during FY 1997-98 for the City's treatment of out-of-county Drug/Medi-Cal clients;

- A reduction of \$250,000 in funds carried forward by CSAS from its FY 1996-97 budget;
- Other reductions of approximately \$163,000 for one-time funding from the State and Federal governments;
- Mr. Stillwell states that the FY 1998-99 Combined Agreement was prepared by the State prior to approval of the State budget. Therefore, as in prior years, Mr. Stillwell states that the CSAS expects the FY 1998-99 Combined Agreement to be amended at a later date to provide approximately \$545,000 in increased funding.

3. Mr. Stillwell advises that the revenue of \$15,986,354 for the FY 1998-99 Combined Agreement has been included in CSAS's FY 1998-99 budget, as approved by the Board of Supervisors. Mr. Stillwell further advises that the subject funds are expended in combination with local substance abuse funding for approximately 41 contracts with non-profit service providers. Such contracts are approved by the Board of Supervisors as part of the annual CSAS budget.

4. The proposed Combined Agreement includes a hold harmless clause which provides that the City will hold the State harmless from (1) any claims and losses incurred by contractors, subcontractors, individuals, firms and corporations furnishing or supplying work services, materials or supplies in connection with the performance of this contract; and (2) any claims and losses incurred by any person, firm or corporation who may be injured or damaged in connection with the City's performance of this contract. Ms. Paula Jesson of the City Attorney's Office advises that this a standard State hold harmless provision, and that it is reasonable for the City to enter into this agreement as it is drafted.

5. The proposed Combined Agreement would authorize the Director of CSAS to approve contract amendments totaling less than 10 percent of the contract amount, or up to \$1,598,635, without subsequent Board of Supervisors approval. However, CSAS would be required to obtain approval from the Board of Supervisors for supplemental

appropriation requests to expend any increased revenue resulting from such amendments to the Combined Agreement with the State.

6. Mr. Stillwell advises that State Assembly Bill 2071 (AB 2071), enacted in 1996, requires all counties to submit a Board of Supervisors approved Combined Agreement for FY 1998-99 to the State DADP effective July 1, 1998. According to Mr. Stillwell, AB 2071 further provides that, if Board of Supervisors approval is not submitted to the DADP by July 31, 1998, the DADP is required to assume direct administration of Drug/Medi-Cal contracts, and to reduce the County's allocation by the amount of the Drug/Medi-Cal reimbursement, the State General Fund match, and an administrative fee of \$16,000 per subcontract.

7. As previously indicated, approval of the proposed Combined Net Negotiated Amount and Drug/Medi-Cal Agreement is consistent with the funds previously appropriated by the Board of Supervisors in the DPH's FY 1998-99 budget, and such approval is required by the State.

Recommendation: Amend the proposed resolution to provide for retroactivity and approve the resolution as amended.

Item 7 -- File 98-1140

Department: Trial Courts
Real Estate Department

Item: Resolution authorizing the City Administrator to enter into an agreement with the Hastings College of the Law, which will permit Hastings College to use the new Trial Courts Building at 400 McAllister Street, specifically three jury rooms and one multi-purpose room (total of four rooms), two hours daily at the rate of \$35.00 per room per day, beginning August 24, 1998 and ending December 3, 1998.

Description: The Hastings College of the Law has requested permission from the City to use four rooms in the new Courthouse building between August 24, 1998 and December 3, 1998. Hastings College would use these rooms, consisting of three jury rooms and one multi-purpose room, for a period of two hours on weekday afternoons (the period when these rooms are not in use by the Courts), in order to teach legal writing and legal research classes.

The proposed resolution would authorize the City Administrator to issue a revocable permit to Hastings College for the use of Courthouse Rooms 207, 509, 603 and 609 for the period from August 24, 1998 through December 3, 1998. Under the terms of the agreement, Hastings College would pay the Trial Courts \$35.00 per room per day (\$140 per day for all four rooms), or a total of \$8,820 for 63 days over a 3 1/2 month period, prior to the first day of classes. In addition, no room would be used for more than two hours daily, and not before 3:30 p.m. or after 6:30 p.m., a period when these rooms are not typically used by the Courts. The proposed resolution further provides that the use of these rooms by Hastings College would not interfere with Trial Courts business or with the provision of janitorial or security services by the City. Hastings College would be responsible for providing liability insurance and workers compensation insurance, while the City would agree to provide all utilities.

Comments:

1. According to the Department of Real Estate (DRE), under the terms of the Certificates of Participation that financed the Courthouse's construction, the City Administrator is authorized to issue a permit for use of the Courthouse.

2. Mr. Lawrence Jacobson of DRE advises that \$35.00 per room per day represents the fair market value for this space.

3. Mr. Neal Taniguchi of the Trial Courts advises that the Trial Courts concur with the proposed issuance of a permit to Hastings College for the use of space at the new Courthouse. Mr. Taniguchi further advises that Hastings College's use of space at the Courthouse would not interfere with Court business because these four rooms are not usually used by the Courts between 3:30 p.m. and 6:30 p.m.

4. Mr. Taniguchi reports that the \$8,820 in additional revenue to be generated from the proposed agreement has not been included in the Trial Courts' FY 1998-99 budget. The expenditure of such additional revenues would therefore be subject to appropriation approval of the Board of Supervisors.

Recommendation: Approve the proposed resolution.

Item 8 - File 98-1178

Department: Tax Collector

Item: Resolution authorizing the Tax Collector to cancel the tax deed issued to the purchaser of 43 Crescent Avenue and 45 Crescent Avenue following the September 26, 1997 public auction of tax defaulted property and to refund to the purchaser the bid amount (purchase price) and other monies paid by the purchaser to the City that were related to the property, plus interest.

Description: The proposed resolution would authorize the Tax Collector to cancel the tax deed issued to the purchaser of a lot containing a single family residence at 45 Crescent Avenue and a lot at 43 Crescent Avenue containing a two-unit apartment building which were mistakenly sold by the Tax Collector as a single vacant lot at a public auction. The proposed resolution also authorizes a refund to the purchaser, estimated at \$17,172, of the purchase price and other monies paid by the purchaser to the City that were related to the property, including interest, as described below.

The events leading up to the erroneous sale of the property by the Tax Collector, according to Ms. Sandra Schaefer of the City Attorney's Office, are as follows:

The lot located at 45 Crescent Avenue contains one single family residence which is built side by side to a second lot at 43 Crescent Avenue containing one apartment building with two units. The two buildings appear to be one structure but are actually two separate structures. Both of the lots at 45 Crescent Avenue and 43 Crescent Avenue are owned by the same owner. Each lot should have been assessed by the Assessor's Office separately as an improved lot. However, dating back to 1904, the Assessor's Office has mistakenly assessed 45 Crescent Avenue as a "vacant" lot and 43 Crescent Avenue as an improved lot, including the value of both the single family residence located at 45 Crescent Avenue and the apartment building at 43 Crescent Avenue in one assessment.

The owner of the two lots has been billed by the Tax Collector for the "vacant" lot at 45 Crescent Avenue and the improved lot at 43 Crescent Avenue since 1904. However, at

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some point after 1985, an escrow account was set up by the lender for the two lots and the lender erroneously began paying only the Property Taxes to the City for the improved lot at 43 Crescent Avenue (which included both of the buildings in the assessment) and not for the "vacant" lot at 45 Crescent Avenue, under the belief that, since the assessments for both buildings were being paid, the Property Taxes were being paid in full.

In accordance with the State Revenue and Taxation Code, once Property Taxes had not been paid on the "vacant" lot at 45 Crescent Avenue for over five years, the Tax Collector followed procedures to seize and sell the property, including notifying the owner. Receiving no response from the owner, the Tax Collector sold the "vacant" lot at public auction on September 26, 1997, to Mr. Kenneth J.H. Chui in the amount of \$15,000.

Further complicating the matter, the deed for the property at 45 Crescent Avenue issued by the City to Mr. Chui was incorrect. The deed correctly listed only the Assessor's Lot Number for the "vacant" lot at 45 Crescent Avenue. However, the "metes and bounds" description included in the deed, a legal description of the boundaries of the property, was erroneously copied from the original recorded deed for the property and describes a boundary which includes both of the lots at 45 Crescent Avenue and 43 Crescent Avenue, instead of only the lot at 45 Crescent Avenue. As a result, the tax deed issued by the Tax Collector could be construed as having sold two improved lots instead of one vacant lot, which was in default according to the Tax Collector's records.

Mr. Chui has agreed to surrender the tax deed and has signed a written consent to cancel the deed with the agreement that the City reimburse Mr. Chui \$15,000 for the purchase price of the property which Mr. Chui paid to the City, plus interest at the rate the City earns on pooled cash deposits, currently 5.658 percent, or approximately \$849, for a total of \$15,849 (\$15,000 plus \$849). The City would also refund monies paid by Mr. Chui to the City to record the new deed and taxes he has paid on the property, plus interest of 5.658 percent, for an estimated total of \$1,323. In total, Mr. Chui would receive an estimated refund of \$17,172 (\$15,849 plus \$1,323) from the City.

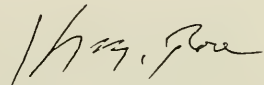
BOARD OF SUPERVISORS
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In addition, the owner of the property at 45 Crescent Street has agreed to pay all unpaid and current Property Taxes from 1990 to 1998 on the lot, which, according to the Tax Collector, totals \$3,868.

Comments:

1. Both the Treasurer and Tax Collector advise that they have taken corrective action to ensure that this situation will not happen again. The Treasurer and Tax Collector report that once the subject matter was brought to their attention, they directed staff to review the sequence of events leading to this sale and report that, as a result of this review, they have directed their office to institute regular site visits to parcels of land which they are contemplating for sale at public auction; and to expand their title and description disclaimer notices to prospective bidders at the City's public auctions which place a portion of the responsibility on the buyer for ensuring that what has been advertised as being sold is actually what is sold.

Recommendation: Approve the proposed resolution.



Harvey M. Rose

cc: Supervisor Teng
President Kaufman
Supervisor Newsom
Supervisor Ammiano
Supervisor Bierman
Supervisor Brown
Supervisor Katz
Supervisor Leno
Supervisor Medina
Supervisor Yaki
Supervisor Yee
Clerk of the Board
Controller
Gail Feldman
Matthew Hymel
Stephen Kawa
Ted Lakey

A G E N D A

Finance Committee Board of Supervisors City and County of San Francisco

REGULAR MEETING

DOCUMENTS DEPT.

JUL 23 1998

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WEDNESDAY, JULY 29, 1998 - 1:00 P.M.

VETERANS BUILDING
401 VAN NESS AVE, RM. 410
SAN FRANCISCO, CA. 94102

MEMBERS: Supervisors Mabel Teng, Barbara Kaufman, Gavin Newsom

CLERK: Joni Blanchard

❖ ❖

Disability Access



Both the Committee Room (Room 410) and the Chamber (Room 404) are wheelchair accessible. The closest accessible BART Station is Civic Center, four blocks from the Veterans Building. Accessible MUNI lines serving this location are: #42 Downtown Loop and the #71 Haight/Noriega and the F line to Market and Van Ness and the METRO stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call 923-6142.



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Assistive listening devices are available for use in the Meeting Room and the Board Chamber. A device can be borrowed prior to or during a meeting. Borrower identification is required and must be held by Room 308 staff.

The following services are available on request 48 hours prior to the meeting or hearing:

- ❖ For American sign language interpreters or the use of a reader during a meeting, contact Violeta Mosuela at (415) 554-7704.
- ❖ For a large print copy of an agenda, contact Moe Vazquez at (415) 554-4909.

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Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. The Sunshine Ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force at 554-4851.

REGULAR CALENDAR

1. File 98-0518. [Affordable Child Care Program] Ordinance amending Planning Code Section 314.5 to expand the sources and eligible uses of monies in the Affordable Child Care Fund, to allow monies from that fund to be used to fund any report(s) required to demonstrate the relationship between office and hotel development projects and child care demand as described in described in San Francisco Planning Code Section 314.4 and to provide for Board of Supervisors approval of rule and regulations for the uses of that fund; companion measure to File 98-0519. (Supervisor Teng)
(Planning Commission Resolution No. 14634 adopted 6/4/98;
Certificate of Exemption from Environmental Review with general rule exclusion, Section 150619(b)(3) dated 5/13/98)

ACTION:

2. File 98-0519. [Affordable Child Care Fund] Resolution approving regulations for the use of the Affordable Child Care Fund established by San Francisco Planning Code Section 314.5; superseding existing regulations for the use of the Affordable Child Care Fund; authorizing the use of the current unexpended balance of the Affordable Child Care Fund. (Supervisor Teng)

ACTION:

3. File 98-1188. [Prop J Contract, Budget Analyst] Resolution concurring with the Controller's certification that Budget Analyst Services can be practically performed by private contractor for lower cost than similar work services performed by City and County employees. (Clerk of the Board)

ACTION:

4. File 98-1176. [Settlement of Grievance, Fariba Mahmoudi] Ordinance authorizing settlement of the pay grievance of Fariba Mahmoudi filed pursuant to the Memorandum of Understanding between the International Federation of Professional and Technical Engineers, Loca 21, AFL-CIO, and the City and County of San Francisco in the amount of Sixteen Thousand Eight Hundred Twenty-Six Dollars and Fifty Cents (\$16,826.50). (Department of Human Resources)

ACTION:

5. File 98-1022. [Property Lease - City of Santa Clara] Resolution authorizing an assignment, assumption and amendment of a 40-year lease of Public Utilities land located in the City of Santa Clara for parking and landscaping from Larvan Properties, Assignor, to MELP VII, Assignee. (Public Utilities Commission)
(Consideration continued from 7/15/98)

ACTION:

6. File 98-1067. [Outreach Newspapers] Resolution designating the Bay View, Inc. to be outreach newspaper of the City and County of San Francisco for the African-American community; designating the China Press to be outreach newspaper of the City and County of San Francisco for the Chinese Community; and designating the El Latino to be outreach newspaper of the City and County of San Francisco for the Hispanic community commencing _____, for outreach advertising. (Purchasing Department)
(Consideration continued from 7/15/98)

ACTION:

7. File 98-1068. [Outreach Newspaper] Resolution designating the San Francisco Bay Times for outreach advertising for the City and County of San Francisco for the Lesbian/Gay/Bisexual Community beginning _____, and until such time that a periodical can be designated as the official outreach periodical for the Lesbian/Gay/Bisexual community. (Purchasing Department)
(Consideration continued from 7/15/98)

ACTION:

8. File 98-1145. [Off-Street Parking Lease Agreement for DHS] Resolution authorizing the lease agreement for off-street parking at 205 - 13th Street for the Department of Human Services effective the later of August 1, 1998 or upon the date City receives 24-hour notice to vacate their current parking site. (Real Estate Department)

ACTION:

9. File 98-1157. [Same Sex Domestic Violence Programs Fund] Ordinance amending Chapter 62, Part I of the Administrative Code by amending Section 62.9, requiring fees charged by the County Clerk to perform a ceremony solemnizing the formation of a domestic partnership to be deposited in the Same Sex Domestic Violence Programs Fund and by amending Chapter 8 by adding Section 8.40 establishing the Same Sex Domestic Violence Programs Fund. (Supervisor Kaufman, Ammiano)

ACTION:

10. File 98-1172. [Budget Analyst - Performance Audits] Motion amending the agreement between the Budget Analyst and the Board of Supervisors to provide that the Budget Analyst will increase the level of services dedicated to Performance Auditing at a cost of \$200,000 annually with initial funding provided in the adopted Fiscal Year 1998-1999 Budget. (Supervisor Kaufman)

ACTION:

11. File 98-1173. [Audit Priorities] Motion adopting a proposed schedule of audits to be conducted of programs of City and County Departments; see File 98-1172. (Supervisor Kaufman)

ACTION:

12. File 98-1137. [Housing Authority - Management Audit] Motion requesting that a management audit of the San Francisco Housing Authority be added to the audit workplan, be given priority on this workplan, and be conducted at the earliest juncture. (Supervisors Yee, Ammiano)

ACTION:

LEGISLATION UNDER THE 30-DAY RULE

Rule 5.40 provides that when legislation is introduced which would create or revise major city policy, the committee to which the legislation is assigned shall not consider the legislation until at least 30 days after the date of introduction.

File 98-1088. [Flea Market] Ordinance amending Administrative Code by adding Chapter 9B, Sections 9B.1 through 9B.9, authorizing the City Administrator to establish and regulate a flea market at 100 Alemany Boulevard; charging vendors at the market a fee for the privilege of selling at the market; and ratifying and approving fees collected between June 1996 and the effective date of this ordinance. (Supervisor Newsom), 30 Day Rule expires 7/29/98.

File 98-1118. [Appropriation, Dept. of Animal Care & Control]] Ordinance appropriation \$36,551, Dept. of Animal Care and Control, from the General Fund Reserve for salaries, fringe benefits and materials and supplies, and for the creation of one (1) position related to the care and treatment of horses, for fiscal year 1998-99; companion measure to File 98-1119. RO #98004. (Supervisor Medina), 30 Day Rule expires 8/5/98.

Watch future calendars for matters.

Finance Committee
S.F. Board of Supervisors
401 Van Ness Ave., Room 308
San Francisco, CA 94102

IMPORTANT HEARING NOTICE!!!

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CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

July 24, 1998

TO: Finance Committee

FROM: Budget Analyst *Recommendations for meeting of*

SUBJECT: July 29, 1998 Finance Committee Meeting

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Items 1 and 2 - Files 98-518 and 98-519

Department: Mayor's Office of Children Youth and Their Families
(MOCYF)
Department of City Planning

Item: File 98-518: Ordinance amending the City Planning Code by amending Section 314.5 to (1) expand the sources and eligible uses of monies in the Affordable Child Care Fund, (2) allow monies from the Fund to be used to fund any report required to demonstrate the relationship between office and hotel development projects and child care demand as described in Planning Code Section 314.4, (3) provide for Board of Supervisors approval of Rules and Regulations for the uses of the Affordable Child Care Fund, and (4) rename the Affordable Child Care Fund as the "Child Care Capital Fund" in order to reflect the amended uses.

File 98-519: Resolution approving regulations for the use of the Affordable Child Care Fund established by City Planning Code Section 314.5; superceding existing regulations for the use of the Affordable Child Care Fund;

July 29, 1998, Finance Committee Meeting

and authorizing the use of the current unexpended balance of the Affordable Child Care Fund.

Description:

File 98-518

Under the existing provisions of Section 314 of the City Planning Code, Section 314 establishes "Child-Care Requirements for Office and Hotel Development Projects," which provides that developers of office and hotel projects in excess of 50,000 new square feet are required to construct or provide a child-care facility on or near the site of a new or renovated development project, or pay an in-lieu fee to the City (assessed and collected by the Department of City Planning) of \$1 per square foot of the office or hotel project, which shall be used to (1) reduce the cost of providing affordable child-care services to children from households of low income, and (2) increase the supply of child-care facilities affordable to households of low and moderate income.

Section 314.5 of the City Planning Code presently authorizes the establishment of an Affordable Child Care (ACC) Fund, which is administered by the MOCYF, for the purpose of depositing the in lieu fees collected by the City. According to Mr. Harold Guetersloh of the Controller's Office, the balance in the Affordable Childcare Fund as of July 22, 1998 is \$1,430,000.

Presently, the sole funding source for the ACC Fund is the aforementioned fees from developers of new and renovated office and hotel buildings in the City. Expenditures from the ACC Fund are made solely for providing vouchers to low income families with children up to age three to subsidize child care costs, and the associated administrative costs. According to Ms. Amy Kershaw at MOCYF, providing vouchers for childcare to low income families, meets the requirements of the ACC Fund which stipulate that monies may be used to reduce the cost of providing affordable child-care services to children from households of low income families.

The proposed ordinance would amend Section 314.5 by changing the name of the Affordable Child Care Fund and by expanding the eligible sources and uses of the Fund monies as follows:

1. Change the name of the Affordable Child Care Fund to the Child Care Capital Fund in order to reflect the new eligible use of Fund monies.
2. Expand the authorized funding sources for the Child Care Capital Fund to include appropriations of General Fund monies and contributions from third parties designated for the Child Care Capital Fund, such as corporate or individual donations.
3. Expand the authorized eligible uses for Child Care Capital Fund monies to also include expenditures "to improve" the quality of child care facilities (both family child care programs and private non-profit centers) which MOCYF interprets to mean providing funds for capital improvements, such as, for example, new flooring or lights, kitchen renovations, or the purchase of additional play structures. Authorizing expenditures for the improvement of child care facilities would be in addition to the existing eligible expenditures to increase the supply of childcare facilities for low and moderate income families.
4. Authorize use of the Child Care Capital Fund monies by the Director of City Planning to fund any report required by State law to demonstrate the relationship between office and hotel development projects and increased demand for child care. See Comment No. 6.
5. Simplify the procedures for approving the Program Regulations for administering the Child Care Capital Fund, established by the Director of City Planning pursuant to Section 314.5, by requiring only that such Rules and Regulations shall be subject to approval by resolution of the Board of Supervisors. Currently, the Director of City Planning is required to publish proposed Rules and Regulations in an official newspaper of general circulation and provide notice of a public meeting to be held on such Rules and Regulations. If this proposed ordinance is approved, the proposed Program Regulations would no longer be published in the City's Official newspaper and notices of public meetings would no longer be required.

File 98-519

The proposed resolution would adopt new Program Regulations for the use of the Affordable Child Care Fund developed by the Mayor's Office of Children, Youth and Their Families, pursuant to a previously approved Memorandum of Understanding (MOU) between the Director of City Planning and the Mayor's Office of Children, Youth and Their Families, which provides that the Mayor's Office has assumed responsibility for administration of the Child Care Capital Fund, including drafting regulations regarding the Fund.

Approval of this proposed resolution would adopt the proposed Program Regulations (see Attachment 1 which contains the proposed Program Regulations and an explanation provided by MOCYF as to how such regulations differ from the existing Program Regulations) and replace the existing Program Regulations, which were approved by the Board of Supervisors pursuant to Resolution No. 659-95.

As described above, the proposed Program Regulations would authorize monies in the Child Care Capital Fund to be provided directly to child care providers to finance certain costs designed to increase and/or improve existing child care facilities, in lieu of providing child care vouchers to low income families, except that MOCYF would be authorized to utilize a portion of the unexpended balance in the Affordable Child Care Fund to continue providing subsidies to families currently participating in the voucher program pursuant to the existing Regulations, until such time as those families are no longer eligible to receive assistance under the existing Regulations.

The proposed Program Regulations would also change the existing Program Regulations by allowing sources other than the above described fees to developers to contribute to the Child Care Capital Fund, including appropriations of General Fund monies as approved by the Board of Supervisors, and contributions from private third parties.

Comments:

1. Attachment 2, provided by MOCYF, is the expenditures totaling \$278,326 for the MOCYF Fiscal Year December 1, 1997 through November 30, 1998 from the Affordable Child Care Fund.

2. According to Ms. Kershaw, currently the Affordable Child Care Fund contains one-time fees charged to developers to subsidize ongoing costs of child care subsidies for low income families. Ms. Kershaw reports that using one-time fees to fund ongoing costs creates instability and uncertainty for participating families, management problems for administering agencies who are unable to plan as to how much monies will be available, and budgeting difficulties for MOCYF, since it is difficult to project the amount of fees that will be collected. Ms. Kershaw advises that the proposed changes in eligible funding sources and uses will result in the one-time developer fees being used to finance much needed one-time capital improvements to the City's stock of affordable childcare facilities, both family child care programs and private non-profit centers, which will build the supply of high quality child care available to low income families.

3. Ms. Kershaw notes that MOCYF intends to contract with the Low Income Housing Fund, the nonprofit operator of the San Francisco Child Care Facilities Financing Fund, to administer the proposed Child Care Capital Fund (which is the proposed new name for the existing Affordable Child Care Fund). However, Ms. Kershaw reports that the proposed regulations are written broadly enough to allow the ACC Fund program to be operated by a City agency or another community-based organization in the future.

The San Francisco Child Care Facilities Financing Fund (CCFF) is a public-private partnership with the goal of increasing the quantity and improving the quality of child care in San Francisco. CCFF was established in FY 1997-98 with an appropriation of \$200,000 in General Fund monies, along with \$300,000 from the Miriam and Peter Haas Fund and \$400,000 from Providian Financial Corporation. In FY 1998-99, the Board of Supervisors appropriated \$600,000 in General Fund monies to the CCFF, which now has an endowment in excess of \$1.5 million. The CCFF offers grants, loans, and technical assistance to San Francisco child care providers.

According to Ms. Kershaw, by contracting with the San Francisco Low Income Housing Fund to administer the proposed Child Care Capital Fund, there would be a cohesive program with centralized planning to provide funding for

increasing child care facilities and monitoring and improving the quality of child care facilities.

4. Ms. Kershaw reports that approval of these subject proposed changes to the Program Regulations would result in phasing out the existing voucher program, which subsidizes access to childcare, and replacing the voucher program with the above described capital improvement program. Ms. Kershaw notes that the current voucher program would be phased out without any adverse effect on the 37 families with children under three years of age who are currently participating because MOCYF plans to continue providing vouchers to the 37 participating families until all children reach age three, at which time the children would no longer be eligible for assistance under the current program and the vouchers would be discontinued. MOCYF estimates the cost to continue providing vouchers to the 37 currently participating families until all children reach age three would cost approximately \$521,154.

5. According to Ms. Kershaw, whenever a City assesses a local fee, State law requires a nexus study that describes the relationship between the fee and the use of the funds collected. Such a nexus report is required by the State to demonstrate the relationship between the fee assessed on office and hotel developments and increased demand for child care. According to Ms. Kershaw, it is vital that funding be provided for such a report to enable the City to comply with State requirements. Ms. Kershaw notes that if this proposed ordinance is approved to allow the Affordable Child Care Fund monies to be used to fund a nexus study, the Department of City Planning plans to contract with a consulting firm to provide the nexus study, at an estimated cost of \$20,000-\$50,000.

6. MOCYF proposes to allocate the remaining ACC Fund balance of \$858,846 (the \$1,430,000 current balance less \$521,154 for continued voucher program and less \$50,000 for mandatory nexus study) to the above described Child Care Capital Fund, administered by the Low Income Housing Fund for use as grants or loans to child care providers for capital improvements to child care facilities.

July 29, 1998, Finance Committee Meeting

7. Expenditures from the proposed Child Care Capital Fund would not be subject to appropriation approval of the Board of Supervisors.

Recommendations: Approval of the proposed ordinance, File 98-518, and the proposed resolution, File 98-519, are policy matters for the Board of Supervisors.



TO: Taylor Emerson, Board of Supervisors, Budget Analyst

FROM: Amy Kershaw, Fiscal Policy Analyst, Starting Points

RE: Proposed Changes to the Affordable Child Care Fund
Finance Committee, Wednesday, July 29, 1998, 1:00pm
File numbers 98-518 and 98-519

DATE: July 23, 1998

The Affordable Child Care (ACC) Fund was established in 1985 to help meet the demand for child care associated with new building developments. The fund consists of contributions from developers of large office and hotel projects (over 50,000 square feet) who are required, as a condition of building approval, to build a child care facility or to pay into the ACC Fund. The Planning Department administers the ACC Fund.

The Affordable Child Care (ACC) Program was established to disburse the funds collected by the ACC Fund. The program provides child care subsidies to low income families with children six months to three years of age. The ACC Program is administered, through an MOU with the Planning Department, By MOCYF.

The ACC Program is not currently operating consistent with its legislative intent. While all of the families receiving assistance are low-income and in need of subsidized child care, the priorities established by the original program regulations are so restrictive that none of the participating families meet the highest priority category. In addition, because a nexus study was never completed for the ACC fund, it is also out of compliance with a new state law (AB 1600) which requires a nexus study for any locally imposed developer fees.

Most importantly, the program has a much more fundamental flaw. It uses an unstable funding base -- one-time fees on developers-- to fund on-going costs -- child care subsidies for low income families. Regardless of our serious shortage of child care subsidies, paying for subsidies through one-time developer fees is not good policy: the funds are erratic -- creating uncertainty for families and administering agencies.

The proposed Child Care Capital Program is a child care facilities financing program. This new program will provide loans and grants to child care programs to make capital improvements. Eligible use of funds include, major and minor renovations, improvements to outdoor play spaces and projects to increase access for disabled children. In order to qualify for funding through this program, providers must have nonprofit status and serve low-income children. The new program will be managed by the Low Income Housing Fund (LIHF), a nonprofit fiscal intermediary with 14 years of experience in community lending (please see attached program description).

PROGRAM REGULATIONS FOR THE CHILD CARE CAPITAL FUND FOR THE CITY AND COUNTY OF SAN FRANCISCO (formerly known as the Affordable Child Care Fund)

The following regulations govern expenditures of monies held in the Child Care Capital Fund ("Fund") (formerly known as the Affordable Child Care Fund) established by San Francisco Planning Code Section 314.5. These regulations replace the "Final Regulations for Affordable Child Care Fund" approved by the Board of Supervisors in September, 1992.

The Fund is made up of contributions from developers of large office and hotel projects who are required by Section 314.4 of the San Francisco Planning Code, as a condition of approval of building or site permit application, to provide a child care facility or to pay an in-lieu fee to the City. These regulations also govern other contributions made to the Fund (e.g., general fund contributions, private donations). The revenues held in the Fund must be used to foster the expansion and/or improvement of child care facilities accessible to low and moderate income families. The Fund is administered by the Mayor's Office of Children, Youth and Their Families ("MOCYF") pursuant to a Memorandum of Understanding between MOCYF and the Department of City Planning.

Any outside contributions made to the Fund can be made directly to MOCYF and do not need to be deposited with The City Department of Planning.

These regulations describe a child care facilities financing program to be administered by MOCYF. MOCYF may choose to operate this Program directly or contract with a non-profit fiscal intermediary to manage the day-to-day operations of the Program. These regulations will be effective upon adoption by resolution of the Board of Supervisors as specified in Section 314.5 of the San Francisco Planning Code. These regulations require MOCYF to evaluate the Program every six months for the first year of the program and annually after that. In addition MOCYF may, at any time, suggest amendments to these regulations necessary to improve the program.

I. General Program Description

The Child Care Capital Program (CCCP) is a child care facilities financing program designed to improve the quality of and access to child care in San Francisco by providing no- or low-cost financing opportunities to child care providers in order to meet one time capital expenditures. Financing provided through the Program will increase (i.e, number of children who can be served) licensed capacity; maintain licensed capacity; and/or provide quality enhancements. Through different strategies, the Program will provide financing assistance for both family child care providers and non-profit child care centers. **Within these categories, MOCYF will work with the contractor described below to determine eligible uses which maximize the use of CCCP funds and respond to the changing needs of child care providers.**

CCCP funds may be used for one or all of the following:

Family Child Care Assistance. CCCP funds may be used to provide family child care providers with small grants or loans for one-time capital costs to increase and/or maintain child care capacity; and/or to improve the quality of services being provided. Eligible uses of grant or loan funds include modification to facility to provide access or services to disabled children, renovations to plumbing, electrical systems, kitchen, bathrooms, health and safety equipment, playground equipment.

Child Care Center Assistance. Financing assistance for child care centers, primarily serving low income children, will be made available for the purposes of improvements in the quality, safety and environment in center based child care and to assist with the development, expansion or repair of facilities. CCCP funds may be used to provide direct loans and possibly grants, provide subsidies for interest rate write downs, and/or potentially provide loan guarantees to leverage additional funds from conventional lenders.

Technical Assistance. Technical assistance will also be made available for child care providers qualifying for assistance under the Program. Technical assistance may include business planning, helping a child care provider fill out a loan application, apply for additional loans or grants, create budget projections or plan program expansions. Individual technical assistance needs will be assessed at the time of application to the Program by the Contractor.

II. Eligibility

To be eligible for assistance from the CCCP, both family child care and center-based providers must, at a minimum:

- Be located in the City and County of San Francisco;
- Possess a valid operating license for child care services or be in the process of applying for an operating license; and
- Demonstrate the viability of the day care operation for the term of the financial assistance being requested.

Child care centers seeking assistance must also be primarily serving children from low income families. Prior to receiving any assistance under the provisions of this Program, all providers will submit certification that they meet the eligibility requirements of the Program.

IV. Program Administration

The CCCP will continue to be administered by MOCYF. However, MOCYF will contract with a non-profit fiscal intermediary ("Contractor") to manage the day-to-day operations of the Program. The Contractor must have experience in non-profit lending and grant administration, and administering programs for public agencies. In addition, MOCYF may choose to administer all or a portion of the Fund itself, or to contract with other entities, as determined by MOCYF, in order to most effectively administer the Fund and maximize the use of monies in the Fund. All such contracts will be subject to compliance with applicable City contracting requirements.

MOCYF will continue to receive administrative costs from the Fund to cover its oversight of the Fund. Those administrative costs will be equal to Ten Thousand Dollars (\$10,000.00) per year, to be increased annually based on the percentage change in the cost of living increase for the San Francisco area. In addition, MOCYF may use a portion of the Fund to pay reasonable administrative costs (not to exceed 15% of the total contract amount) charged by any entity, including the Contractor, which administers the Fund on MOCYF's behalf.

IV. Program Administrator Duties

The duties of the Program Administrator (MOCYF or the Contractor chosen to manage the Program) shall be as follows:

1. Creating specific program guidelines, including caps on permissible loan/grant amounts and priorities for loan/grant recipients¹ (e.g., provider income, income of families served and neighborhood location of provider);
2. Outreach to potential loan/grant recipients;
3. Information and marketing of the loan/grant program;
4. Creating and disseminating application materials;
5. Communication with child care providers, both in the application phase and through the term of any loan/grant;
6. Determining eligibility of fund recipients;
7. Analyzing grant and loan requests;
8. Grant and loan administration;
9. Monitoring providers for continued compliance with loan/grant requirements, and taking any steps necessary to recover funds from noncomplying recipients;
10. Providing technical assistance to child care providers;
11. Providing interim reports to the City, the Child Care Planning and Advisory Council (CCPAC), providers and other community groups;
12. Raising additional funds to support the Program.

¹ These priorities shall be consistent with stated City policies and established Children's Services Fund funding priorities.

The Contractor may subcontract with other nonprofit agencies for limited portions of the work associated with the day to day operations of the Program (e.g., the provision of business oriented technical assistance to child care providers).

VI. Evaluation and Mayor's Office Report

After the new Program regulations have been in effect for six months, the Mayor's Office of Children Youth and Families will draft a report to the Board of Supervisors that: 1) evaluates the performance of the program, including the performance of the Contractor; 2) includes demographic analysis of the child care providers assisted by the program and the San Francisco families they serve; 3) summarizes the Program's performance and impact; and 4) suggests changes in the program.

Children's Council of San Francisco
Affordable Child Care
1997 - 1998
December 1, 1997 to November 30, 1998

Total

Personnel

G. Stofan	Payments Manager	\$37,742.00	7.50%	\$2,831.00
Y. Gaines	Program Specialist	24,877.00	50.00%	12,439.00
E. Lam	Accounting Clerk	24,477.00	20.00%	4,895.00
A.	Total salaries		77.50%	20,165.00

Mandatory Fringe

FICA		7.65%	1,543.00
HEALTH		10.21%	2,059.00
SUI		0.80%	161.00
W.C.		1.34%	270.00
Flex Plan	(\$840 X FTE - if qualified)	3.23%	651.00
B.	Total Fringes	23.23%	4,684.00

Professional

Child Care Payments				109,884.00
C.	Total Professional			109,884.00

Other Contracts

Wu Yee	(see attached Budget)			131,814.00
D.	Total Other Contracts			131,814.00

Other Services

Office supplies				1,900.00
Printing				
Rent / Utilities				3,200.00
Travel				
Conference				
Telephone				1,275.00
Postage				750.00
Insurance (Bonding)				647.00
E.	Total Other Services			7,772.00

Administrative Costs

J. Uselman	Assistant Controller	35,135.00	63.00	7.50%	2,635.00
	Sub-Total Admin. Salaries			7.50%	2,635.00
FICA				7.65%	202.00
HEALTH				10.21%	269.00
SUI				0.80%	21.00
W.C.				1.34%	35.00
Flex Plan	(\$840 X FTE - if qualified)			0.19%	5.00
	Sub-Total Admin. Fringes			20.19%	532.00
Agency Wide Audit					840.00
	Total Administrative Costs				4,007.00

TOTAL**\$278,326.00**

Admin and Support

\$36,628.00

Item 4 – File 98-1176

Department: Department of Human Resources (DHR)
Department of Transportation

Item: Ordinance authorizing the settlement of a pay grievance of Ms. Fariba Mahmoudi filed against the City pursuant to the Memoranda of Understanding (MOU) between the International Federation of Professional and Technical Engineers, Local 21, AFL-CIO, in the amount of \$16,826.50.

Description: The proposed ordinance would approve a settlement against the City in the amount of \$16,826.50 for a grievance filed on behalf of Ms. Fariba Mahmoudi by the International Federation of Professional and Technical Engineers, Local 21.

According to Mr. Geoffrey Rothman, of DHR, Ms. Mahmoudi was hired by the Department of Transportation as a 5202 Junior Civil Engineer at Step 1 on March 29, 1994 and worked at Step 1 for the period March 29, 1994 through November 17, 1995. According to Mr. Rothman, as stated in his attached memorandum of July 22, 1998, "At the time of her [Ms. Mahmoudi] offer of employment she was informed that she could be appointed above the entrance rate of step 1 if she provided records documenting that she would experience a loss of compensation if she was appointed at step 1. Ms. Mahmoudi submitted the required documentation to the Department of Transportation to justify an appointment to step 5. No action was initiated by the department to request approval of the step 5 appointment."

The annual salary at Step 5 of a 5202 Junior Civil Engineer position as of March 29, 1994 when Ms. Mahmoudi was hired was \$44,970 or \$7,882 higher than the annual salary of \$37,088 at Step 1. On November 18, 1995, Ms. Mahmoudi was promoted to classification 5204 Assistant Civil Engineer at step 3 and worked at step 3 for the period November 18, 1995 through August 11, 1997. If her promotion to the 5204 Assistant Civil Engineer position had been based on step 5 of a 5202 Junior Civil Engineer position, Ms. Mahmoudi would

have been promoted to step 4 of the 5204 Assistant Civil Engineer position instead of to step 3 of the 5204 Assistant Civil Engineer position. As of November 18, 1995, the date of her promotion, the annual salary at step 4 of a 5204 Assistant Civil Engineer position was \$48,598 or \$2,766 higher than the \$45,832 annual salary at the step 3 salary which Ms. Mahmoudi received.

Article III.3.G-Appointment Above Entrance Rate of the Memorandum of Understanding (MOU) between the International Federation of Professional and Technical Engineers, Local 21 states that, "Appointments may be made by an appointing officer at any Step in the compensation schedule upon the approval of the Human Resources Director under one or more of the following conditions: a) A former permanent City employee, following resignation with service satisfactory, is being reappointed to a permanent position in his/her former classification, b) loss of compensation would result if appointee accepts position at the normal Step, c) a severe, easily demonstrated and documented recruiting and retention problem exists, d) the appointee possessed special experience, qualifications, and/or skills including, but not limited to, the number of years performing similar work elsewhere which, in the Appointing Officer's opinion, warrants appointment above the entrance rate, e) to be considered, requests for adjustments under the provisions of this Section must be received in the offices of the Department of Human Resources not later than the end of the fiscal year in which the appointment is made, and f) when the Human Resources Director approves appointments of all new hires in a classification at a Step above the entrance rate, the Human Resource Director may advance to that Step incumbents in the same classification who are below that Step."

On behalf of Ms. Mahmoudi, Local 21, AFL-CIO filed a grievance against the City in July, 1996 asserting violation of Article III.3.G-Appointment Above Entrance Rate of the MOU.

In his July 22, 1998 memorandum, Mr. Rothman stated "Ms. Mahmoudi inquired regarding the status of the request (to be appointed at a higher step when she was

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first hired by the Department of Transportation) shortly after she was hired and was provided with inaccurate information by a former supervisor that resulted in her belief that an adjustment to her salary step was no longer possible. However, Ms. Mahmoudi raised the issue again a year later when she became aware that two new hires in the 5202 class were advised that they could be eligible for an appointment above the entrance rate. As a consequence, Ms. Mahmoudi inquired as to the misinformation given to her and again requested her appointment retroactively to the higher step. The Department then submitted a request to the Department of Human Resources, now two years later, for the step 5 appointment."

However, Mr. Rothman stated in his memorandum, "Requests for appointment above the entrance rate in order to be considered must be received either prior to appointment or at least within the same fiscal year of appointment. Therefore, the request was untimely and was denied by the Department of Human Resources."

However, at this time the Department of Human Services is recommending approval of this subject settlement to grant Ms. Mahmoudi a settlement of \$16,826.50 because, as Mr. Rothman states in his memorandum, "In view of the facts and circumstances provided by Ms. Mahmoudi and by the union, the Department of Human Resources is recommending approval of this settlement."

Comments:

1. The Budget Analyst has found that the original calculation of \$16,826.50, as determined by the Department of Transportation, is in error and that the correct amount is \$13,936.79. The Department of Human Resources and the Department of Transportation are in agreement.

2. Ms. Vicki Clayton of the City Attorney's Office advises that if the Board of Supervisors does not approve the proposed ordinance, the dispute, would be decided by an arbitrator.

Recommendation:

1. Amend the proposed ordinance to authorize the correct amount of pay of \$13,936.79 instead of \$16,826.50.

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2. Approval of the proposed ordinance, as amended, is a policy decision for the Board of Supervisors.

ANDREA R. GOURDINE
HUMAN RESOURCES DIRECTOR

July 22, 1998

To: Harvey Rose
Board of Supervisors' Budget AnalystFrom: Geoffrey Rothman *GR*
Employee Relations DirectorRe: Fariba Mahmoudi Settlement
File No. 98-1176

Ms. Fariba Mahmoudi was hired as a class 5202 Jr. Civil Engineer on March 29, 1994.

At the time of her offer of employment she was informed that she could be appointed above the entrance rate of step 1 if she provided records documenting that she would experience a loss of compensation if she was appointed at step 1. Ms. Mahmoudi submitted the required documentation to the Department of Transportation to justify an appointment to step 5. No action was initiated by the department to request approval of the step 5 appointment.

Ms. Mahmoudi inquired regarding the status of the request shortly after she was hired and was provided with inaccurate information by a former supervisor that resulted in her belief that an adjustment to her salary step was no longer possible.

However, Ms. Mahmoudi raised the issue again a year later when she became aware that two new hires into the 5202 class were advised that they could be eligible for an appointment above the entrance rate.

As a consequence, Ms. Mahmoudi inquired as to the misinformation given to her and again requested her appointment retroactively to the higher step.

The Department then submitted a request to the Department of Human Resources, now two years later, for the step 5 appointment.

Requests for appointment above the entrance rate in order to be considered must be received either prior to appointment or at least within the same fiscal year of appointment. Therefore, the request was untimely and was denied by the Department of Human Resources.

IFPTE, Local 21 then filed a grievance on behalf of Ms. Mahmoudi with the Department of Human Resources.

In view of the facts and circumstances provided by Ms. Mahmoudi and by the union, the Department of Human Resources is recommending approval of this settlement.

Memo to Finance Committee
 July 29, 1998 Finance Committee Meeting

Item 5 - File 98-1022

Note: This item was continued by the Finance Committee at its meeting of July 15, 1998.

Department: Public Utilities Commission (PUC)

Item: Resolution authorizing an assignment, assumption and amendments, including a rent increase, pertaining to an existing 40-year lease of Public Utilities Commission land located in the City of Santa Clara for parking and landscaping from Larvan Properties, assignor, to MELP VII, assignee.

Location: A portion of Parcel 144 of Bay Division Pipeline Nos. 3 and 4 right of way, in Santa Clara, California.

Purpose of Lease: To provide space for parking and landscaping to the assignee, MELP VII.

Lessor: City and County of San Francisco

Lessee: Larvan Properties

No. of Sq. Ft. and Cost Per Month: The leased parcel is 0.346 acres, or approximately 15,072 square feet at a current rate of \$175.50 per month, or approximately \$0.0116 per square foot. The proposed resolution would amend the lease to increase the monthly lease rate to \$1,446.92 per month, or \$0.096 per square foot, an increase of \$0.0844 per square foot, or 728 percent.

Annual Cost: The current annual lease rate is \$2,105.92. The proposed resolution would amend the lease to increase the annual lease rate to \$17,363, an increase of \$15,257.

Utilities and Janitor Provided by Lessee: The services to the subject land are currently provided by the lessee, Larvan Properties. The subject resolution would authorize Larvan Properties to assign the lease to MELP VII, who would then be responsible for providing all services to the subject land.

Term of Lease: August 1, 1977 through July 31, 2017, 40 years.

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Right of Renewal: No

Description: The City and County of San Francisco, acting by and through the Public Utilities Commission, currently leases approximately 0.346 acres of land to Larvan Properties, a General Partnership, pursuant to a 40 year ground lease. The subject land is used for parking and landscaping purposes. The tenant, Larvan Properties, has recently sold adjacent property to MELP VII, L.P., a California limited partnership and has requested consent to Assignment of the lease to MELP VII, L.P. (Assignee). The subject land would continue to be used for parking and landscaping purposes.

The current lease provides that the base rental will be increased or decreased every five years in accordance with any increase or decrease in the Consumer Price Index (CPI). Larvan, as the Assignor, has agreed to amendments to the lease, including: (1) an increase in the monthly rental rate to reflect fair market value from \$175.50 per month to \$1,446.92 per month (from \$2,105.92 to \$17,363 per year) with annual adjustments based on any increase of the CPI, (2) a reappraisal of the rent in nine years with an increase based on fair market value for the land, (3) compliance with the City's Equal Benefits Ordinance requirements, and (4) compliance with the City's Pesticide Ordinance; provided, however, the PUC will consent to not unreasonably withhold any future assignments or subletting.

Comments: 1. Following the PUC's approval, but prior to Board of Supervisors approval, of this proposed lease assignment, of the subject City-owned land to MELP VII, Mr. Dowd states that, "The assignee MELP VII closed escrow on the adjacent land and building, and inherited an existing lease, with a nine year term remaining, on the adjacent land and building. MELP VII will not agree to a rent reappraisal every five years because they have certain fixed costs that cannot be passed on to the existing tenant and they negotiated the assignment with the PUC and negotiated the purchase of the adjacent land and building based on fixed costs, including the rental rate for the subject City-owned land. According to MELP VII, any further rent adjustments prior to the existing lease expiration could place MELP VII in a financially

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compromised position.” Therefore, Mr. Dowd states that he was unable to negotiate a rent reappraisal every five years as was suggested by the Finance Committee.

2. However, in direct response to inquiries made by the Finance Committee at its meeting of July 15, 1998, the PUC was able to negotiate a new provision in this proposed lease which provides for one rent reappraisal in nine years, effective in the year 2007, that would be based on fair market value. However the rent on the lease would remain at the same rate for the last ten years of the lease from 2007 through 2017, except for the annual CPI adjustment.

3. The assignment, assumption, and amendment to the subject lease became effective on March 13, 1998. As such, the proposed resolution should be amended for retroactivity.

4. According to Mr. Gary Dowd of the PUC, the original lease rate for the subject property, established in 1977, was \$756 per year, with adjustments every five years based on the CPI, which have brought the lease rate to the current \$2,105.92 per year. Mr. Dowd reports that over the years, the base rent has not reflected fair market value. However, the lessee has agreed to the new rent with annual CPI increases and a reappraisal of the rent in nine years, provided the lease is amended to include the statement, “Landlord’s consent will not be unreasonably withheld in any instance where such consent is required to a proposed assignment, subletting, or other transfer of encumbrance of Tenant’s interest in the lease.” Mr. Dowd reports that such an amendment is acceptable to the PUC given the fact that the lease has been brought up to fair market value and the annual CPI adjustments and rent reappraisal in nine years should keep the lease rate at a fair market value level.

Recommendations:

1. Amend the proposed resolution to provide for retroactivity.
2. Approval of the proposed resolution, as amended, is a policy matter for the Board of Supervisors.

Item 5 – File 98-1022

Note: This item was continued by the Finance Committee at its meeting of July 15, 1998.

Department: Public Utilities Commission (PUC)

Item: Resolution authorizing an assignment, assumption and amendments, including a rent increase, pertaining to an existing 40-year lease of Public Utilities Commission land located in the City of Santa Clara for parking and landscaping from Larvan Properties, assignor, to MELP VII, assignee.

Location: A portion of Parcel 144 of Bay Division Pipeline Nos. 3 and 4 right of way, in Santa Clara, California.

Purpose of Lease: To provide space for parking and landscaping to the assignee, MELP VII.

Lessor: City and County of San Francisco

Lessee: Larvan Properties

No. of Sq. Ft. and Cost Per Month: The leased parcel is 0.346 acres, or approximately 15,072 square feet at a current rate of \$175.50 per month, or approximately \$0.0116 per square foot. The proposed resolution would amend the lease to increase the monthly lease rate to \$1,446.92 per month, or \$0.096 per square foot, an increase of \$0.0844 per square foot, or 728 percent.

Annual Cost: The current annual lease rate is \$2,105.92. The proposed resolution would amend the lease to increase the annual lease rate to \$17,363, an increase of \$15,257.

Utilities and Janitor Provided by Lessee: The services to the subject land are currently provided by the lessee, Larvan Properties. The subject resolution would authorize Larvan Properties to assign the lease to MELP VII, who would then be responsible for providing all services to the subject land.

Term of Lease: August 1, 1977 through July 31, 2017, 40 years.

Right of Renewal: No

Description: The City and County of San Francisco, acting by and through the Public Utilities Commission, currently leases approximately 0.346 acres of land to Larvan Properties, a General Partnership, pursuant to a 40 year ground lease. The subject land is used for parking and landscaping purposes. The tenant, Larvan Properties, has recently sold adjacent property to MELP VII, L.P., a California limited partnership and has requested consent to Assignment of the lease to MELP VII, L.P. (Assignee). The subject land would continue to be used for parking and landscaping purposes.

The current lease provides that the base rental will be increased or decreased every five years in accordance with any increase or decrease in the Consumer Price Index (CPI). Larvan, as the Assignor, has agreed to amendments to the lease, including: (1) an increase in the monthly rental rate to reflect fair market value from \$175.50 per month to \$1,446.92 per month (from \$2,105.92 to \$17,363 per year) with annual adjustments based on any increase of the CPI, (2) a reappraisal of the rent in nine years with an increase based on fair market value for the land, (3) compliance with the City's Equal Benefits Ordinance requirements, and (4) compliance with the City's Pesticide Ordinance; provided, however, the PUC will consent to not unreasonably withhold any future assignments or subletting.

Comments: 1. Following the PUC's approval of this proposed lease assignment, Mr. Gary Dowd of the PUC states that, "The assignee, MELP VII, closed escrow on the adjacent land, then leased the property to another party." This action was taken prior to approval of the proposed assignment to MELP VII by the Board of Supervisors. Therefore, Mr. Dowd states that he was unable to negotiate a rent reappraisal every five years as was suggested by the Finance Committee.

2. However, in direct response to inquiries made by the Finance Committee at its meeting of July 15, 1998, the PUC was able to negotiate a new provision in this proposed lease which provides for one rent reappraisal in nine years, effective in the year 2007, that would be based

on fair market value. However the rent on the lease would remain at the same rate for the last ten years of the lease from 2007 through 2017, except for the annual CPI adjustment.

3. The assignment, assumption, and amendment to the subject lease became effective on March 13, 1998. As such, the proposed resolution should be amended for retroactivity.

4. According to Mr. Gary Dowd of the PUC, the original lease rate for the subject property, established in 1977, was \$756 per year, with adjustments every five years based on the CPI, which have brought the lease rate to the current \$2,105.92 per year. Mr. Dowd reports that over the years, the base rent has not reflected fair market value. However, the lessee has agreed to the new rent with annual CPI increases and a reappraisal of the rent in nine years, provided the lease is amended to include the statement, "Landlord's consent will not be unreasonably withheld in any instance where such consent is required to a proposed assignment, subletting, or other transfer of encumbrance of Tenant's interest in the lease." Mr. Dowd reports that such an amendment is acceptable to the PUC given the fact that the lease has been brought up to fair market value and the annual CPI adjustments and rent reappraisal in nine years should keep the lease rate at a fair market value level.

Recommendations:

1. Amend the proposed resolution to provide for retroactivity.
2. Approval of the proposed resolution, as amended, is a policy matter for the Board of Supervisors.

Items 6 and 7 – Files 98-1067 and 98-1068

Note: These items were continued by the Finance Committee at its meeting of July 15, 1998.

Department: Purchasing Department

Item: File 98-1067: Resolution designating for outreach advertising, the *Bay View Inc.* to be the outreach newspaper of the City for the African-American community; designating the *China Press* to be the outreach newspaper of the City for the Chinese community; and designating the *El Latino* to be the outreach newspaper of the City for the Hispanic community.

File 98-1068: Resolution designating the *San Francisco Bay Times* for outreach advertising for the City for the Lesbian/ Gay/ Bisexual community until such time that a periodical can be designated as the official outreach periodical for the Lesbian/ Gay/ Bisexual Community.

Description: Proposition J, which was approved by the San Francisco electorate in November of 1994, provided, in part, for an Outreach Advertising Fund to be established for the purpose of the City placing "outreach advertising" or weekly notices of items pertaining to governmental operations in periodicals selected to reflect the diversity in race and sexual orientation of the population of the City. Outreach advertisements include, but are not limited to, information about issues that are being reviewed by the Board of Supervisors and directly affecting the public. Proposition J requires the City to withhold 10 percent of the amounts paid for official advertising and deposit the monies in the Outreach Advertising Revenue Fund.

The Purchasing Department advises that pursuant to Proposition J, the Department issued an Invitation for Bids on May 9, 1998 for the City's outreach advertising. The issuance of the Invitation for Bids is in accordance with Section 2.80 of the Administrative Code, which finds that the City wishes to (1) maximize the public's access to public notices which are required to be published by law and (2) implement an aggressive outreach plan to meet the public information needs of those communities and neighborhoods which may not be adequately served by the

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City's other designated newspapers for official advertising.

File 98-1067: The Purchasing Department received five bids in response to its Invitation for Bids including: (1) three bids for outreach advertising in the African American community, (2) one bid for outreach advertising in the Chinese community, and (3) one bid for outreach advertising in the Hispanic community. The Attachment provided by the Purchasing Department lists the bidders and the amounts bid. The "Cost of Sample" for the bid is the average cost to typeset a sample, calculated by dividing the total cost for the 4x6 inch block by the number of times the bidder is able to typeset the sample in the 4x6 inch block, using the bidder's choice of type font and column width. The cost of the 4x6 inch block is the number of lines in the block multiplied by the billing rate per line.

The five bids were evaluated by the Purchasing Department on the basis of certain criteria and a point system established under Section 2.81-3 of the Administrative Code. Bidders were required to submit typeset samples and other documentation for evaluation purposes. The criteria used for evaluation of bids under Section 2.81-3 includes: (1) the advertising bid amount (the periodical which submits the lowest bid receives additional points), (2) the periodical's level of circulation (for each community, the periodical with the largest circulation receives additional points), (3) the cost of the periodical (any periodical with a majority of circulation that is free of charge to the general public receives additional points), (4) the ownership of the periodical (any periodical which is owned by a local, minority, or women-owned firm receives additional points), and (5) the foreign language content of the periodical (a periodical with a majority of its editorial content published in the native language of the outreach community it serves receives additional points).

Based on the point system established in Section 2.81-3, the Purchasing Department is recommending that the *Bay View Inc.*, the *China Press*, and the *El Latino* be awarded contracts for the City's outreach advertising,

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based on receiving the highest point totals. The Attachment provided by the Purchasing Department contains the point evaluation data of the bidders.

File 98-1068: According to the Purchasing Department no bids were received for an official outreach newspaper for the Lesbian/Gay/Bisexual community. Because no bids were received, the Purchasing Department is not making a recommendation regarding the award of the City's Lesbian/Gay/Bisexual outreach advertising for FY 1998-99. Instead, the proposed resolution extends the current designation of the San Francisco *Bay Times* for advertising until such time that an official outreach periodical is selected.

Comments:

1. Pursuant to Proposition J and in accordance with Section 2.81-2(a), the City is required to withhold 10 percent of the annual amounts paid for the City's Type 1 and Type 2 official advertising and to deposit these monies into the Outreach Advertising Fund. Type 1 official advertising is published on two or more consecutive days to advertise special meetings of the Board of Supervisors. Type 2 official advertising is published for a single day or non-consecutive days to advertise notices of committee meetings of the Board of Supervisors, Invitation for Bids, Request for Proposals, and citations. The Purchasing Department estimates that the FY 1998-99 cost for the City's Type 1 and Type 2 official advertising will be \$837,100. Therefore, the estimated amount available for outreach advertising is \$83,710, or 10 percent of the \$837,100.

2. The Purchasing Department states that the City Attorney has advised that the Board of Supervisors need not accept the Purchasing Department's recommendations to award contracts to the above-noted periodicals and may designate any periodical which is qualified under the Administrative Code. Additionally, pursuant to Sections 2.80-1 (b) and 2.81-4, the Board of Supervisors may specify additional outreach communities, and may authorize additional advertising for communities not adequately served by the City's official advertising and outreach periodicals.

3. According to Mr. Edwin Lee, Director of Purchasing, there is a balance of approximately \$175,100 in the Outreach Advertising Fund as of June 24, 1998.

4. Due to the unusual low number of bids received, the Purchasing Department has contacted additional newspapers that have expressed interest in the City's outreach advertising. Based on their responses, the Purchasing Department is now recommending that an additional eight newspapers, for a total of 11 newspapers, be awarded contracts for the City's outreach advertising. These eight additional newspapers are: *Sun Reporter*, *Sing Tao Daily News*, *World Journal*, *Hokubei Mainuchi*, *Korean Times*, *Philippine Guardian*, *Small Business Exchange*, *El Reporter O-The Reporter*. Therefore, the proposed resolution (File 98-1067) should be amended to designate these eight additional newspapers for the City's outreach advertising.

5. In addition to extending the current designation of the *San Francisco Bay Times*, the Purchasing Department is now recommending that the City also contract with the biweekly publication, the *Bay Area Reporter*, for outreach advertising to the Lesbian/Gay/Bisexual community. Therefore, Mr. Lee advises that the proposed resolution (File 98-1068) should be amended to designate the *San Francisco Bay Times* and *Bay Area Reporter* as the City's official outreach periodicals for the Lesbian/Gay/Bisexual community.

Recommendations:

1. Amend the proposed resolution (File 98-1067) to designate the following eight publications as additional outreach newspapers of the City: *Sun Reporter*, *Sing Tao Daily News*, *World Journal*, *Hokubei Mainuchi*, *Korean Times*, *Philippine Guardian*, *Small Business Exchange*, and *El Reporter O-The Reporter*.

2. Amend the proposed resolution (File 98-1068) to designate the *San Francisco Bay Times* and *Bay Area Reporter* as the City's official outreach periodicals for the Lesbian/Gay/Bisexual community and to delete the language "until such time that a periodical can be designated as the official outreach periodical for the Lesbian/ Gay/ Bisexual Community".

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3. Approval of the proposed resolutions, as amended, is a policy matter for the Board of Supervisors.

FY 98-99 Bid Data and Point Calculation by Outreach Community

1. African American

Three bids were received.

	Avail. Points	Small Business Exchange		San Francisco Bay View		Sun Reporter Publishing Co.	
		<u>Date</u>	<u>Pts</u>	<u>Date</u>	<u>Pts</u>	<u>Date</u>	<u>Pts</u>
Cost of Sample	15	\$ 9.66	15.00	\$14.08	10.29	\$46.50	3.10
Circulation, SF	10	1,500	.62	15,000	6.17	24,325	10.00
Circulation, Comm		1,500		15,000		24,325	
Price, if free	5	no	0	yes	5.00	yes	5.00
Foreign language	5	no	0	no	0	no	0
Locally owned	2	yes	2.00	yes	2.00	yes	2.00
Minority owned	2	yes	2.00	yes	2.00	yes	2.00
Woman owned	2	no	0	no	0	yes	2.00
Subtotal, Prop. J	41		19.62		25.46		24.10
MBE/WBE/LBE Pref.	10%	10%	1.96	yes	2.55		2.41
Total	45.1		21.58		28.01		26.51
Ranking			3		1		2

2. Chinese

One bid was received.

	Avail. Points	China Press	
		<u>Date</u>	<u>Pts</u>
Cost of Sample	15	\$12.16	15
Circulation, SF	10	1,500	10
Circulation, Comm		1,500	
Price, if zero	5	no	0
Foreign language	5	yes	5
Locally owned	2	yes	2
Minority owned	2	yes	2
Woman owned	2	no	0
Subtotal, Prop. J	41		34
MBE/WBE/LBE Pref.	10%	10%	3.4
Total	45.1		37.4
Ranking			1

3. Gay/Lesbian/Bisexual

No bids were received.

4. Hispanic

One bid was received.

	Avail. Points	<u>El Latino</u> <u>Date</u>	<u>Prs</u>
Cost of Sample	15	\$12.10	15
Circulation, SF	10	3,000	10
Circulation, Comm		3,000	
Price, if zero	5	no	0
Foreign language	5	yes	5
Locally owned	2	yes	2
Minority owned	2	yes	2
Woman owned	<u>2</u>	yes	<u>2</u>
Subtotal, Prop. J	41		36
MBE/WBE/LBE Pref.	10%		3.6
Total	45.1		39.6
Ranking			1

Item 8 - File 98-1145

Department: Department of Real Estate
Department of Human Services

Item: Resolution authorizing a new lease agreement for off-street parking at 205 13th Street for the Department of Human Services, effective August 1, 1998.

Location: 205 13th Street, between Mission and South Van Ness.

Purpose of Lease: Temporary parking facilities to accommodate 81 vehicles for use as off-street parking for employees of the Department of Human Services (DHS), which has offices at 170 Otis Street.

Lessor: SF L & W Partnership

Lessee: City and County of San Francisco

Number of Parking Spaces: 81 parking spaces.

Lease Rate Payable By City to SF L & W Partnership: \$65 per parking stall per month, or \$5,265 per month, or \$63,180 annually.

Term of Lease: Approximately six months, or from August 1, 1998, through the completion of the Central Freeway Construction project, estimated to be January 31, 1999 according to Mr. Allan Lucas of the Department of Real Estate (DRE). According to Mr. Lucas, the Lessor will allow the City to remain on a month-to-month holdover basis, if needed.

Utilities and Maintenance: Landlord is to pay for all utilities and maintenance costs.

Right of Renewal: According to Mr. Lucas, the lease is renewable on a month-to-month basis and shall terminate upon completion of the State Central Freeway construction project, estimated to be January 31, 1999.

Source of Funds: \$35,500 was approved to fund the lease of parking facilities in the FY 1998-99 budget of the Department of Human Services.

Description: The Department of Human Services currently leases 74 parking spaces from the State at a parking site near the intersection of Stevenson and Valencia Streets at a cost of \$30.26 per stall, or \$2239.24 per month. On May 1, 1998, the State Department of Transportation served the City with a 90-day notice to vacate the parking lot premises at Stevenson and Valencia Streets by August 1, 1998 in order to accommodate construction work related to the seismic retrofitting of the Central Freeway being performed by the State Department of Transportation.

The proposed resolution would approve a new, short term lease of 81 parking spaces at 205 13th Street to serve as a temporary parking facility, as replacement for the State-owned parking site that DHS must vacate.

According to Mr. Lucas, DHS actually needs 91 parking spaces, or 17 more spaces than the 74 currently provided to DHS employees, in order to accommodate all 91 of its employees who work at 170 Otis Street.

According to Mr. Ernie Radley of DHS, the 17 additional parking spaces are needed for 17 new employees hired for the CalWORKS Program. Mr. Radley reports that all 91 of its employees at 170 Otis Street, including the 17 new employees must use their privately-owned vehicles to provide home visits, including home visits to CalWORKS participants and therefore, DHS believes it is appropriate for the City to provide parking for the 91 employees at no charge to the employees.

The proposed lease would accommodate 81 of the 91 spaces needed by DHS. According to Mr. Lucas, the remaining 10 spaces will be provided by the Department of Building Inspection (DBI), which has 10 parking spaces available at a leased parking lot on 13th and Erie near the DHS offices at 170 Otis Street. According to Mr. Lucas, the per stall cost of the DBI parking spaces is \$20.50 per month. Therefore, ten parking spaces will cost \$205 per month.

In summary, DHS would pay a cost of \$31,590 (\$5.256 per month for approximately six months) for the lease of 81 parking spaces under this proposed lease plus \$1,230 (\$205 per month for approximately six months) for the 10 DBI spaces, for a total cost of \$32,820 for 91 parking spaces during the estimated six month construction period of the Central Freeway project.

Comments:

1. According to Mr. Lucas, the proposed rental rate of \$65 per parking stall per month, for the proposed lease, represents fair market value.
2. Upon completion of the Central Freeway project, DHS plans to resume leasing the parking spaces at the State-owned Valencia and Stevenson Streets parking lot.
3. The proposed lease commences August 1, 1998, which is the date by which DHS must vacate premises at the State-owned parking lot at Valencia and Stevenson Streets. As such, the proposed resolution should be amended to provide for retroactivity.

Recommendation:

Amend the proposed resolution to provide for retroactivity, in accordance with Comment No. 3 and approve the proposed resolution, as amended.

Item 9 – File 98-1157

- Department:** Department of Administrative Services, County Clerk – Recorder
Commission on the Status of Women
- Item:** Ordinance amending Chapter 62, Part 1 of the Administrative Code by amending Section 62.9, requiring that the previously authorized \$30 fee, charged by the County Clerk – Recorder to perform ceremonies solemnizing the formation of a Domestic Partnership, be deposited in a new Same Sex Domestic Violence Programs Fund. This ordinance would also amend Chapter 8, Part 1 of the Administrative Code by adding Section 8.40, to establish the Same Sex Domestic Violence Programs Fund.
- Description:** Section 62.9 of the Administrative Code authorizes the Department of Administrative Services, County Clerk – Recorder to perform a civil ceremony solemnizing the formation of a Domestic Partnership. Section 62.9(a) presently provides that each Domestic Partnership ceremony requires payment of a \$30 fee. Presently such fees accrue to the General Fund. The proposed ordinance provides that the \$30 fee shall accrue to the Same Sex Domestic Violence Programs Fund instead of the General Fund.
- The proposed ordinance would also add Section 8.40 to the Administrative Code to establish a new Same Sex Domestic Violence Programs Fund and provides that the Fund shall be administered by the Commission on the Status of Women.
- Comments:** 1. Mr. Fred Dugucman of the Department of Administrative Services, County Clerk – Recorder, advises that in FY 1996-97, the first year the \$30 fee was established, 44 Domestic Partnership ceremonies were performed resulting in \$1,320 in revenues. In FY 1997-98, 80 Domestic Partnership ceremonies were performed, resulting in \$2,400 in revenues. Mr. Dugucman estimates that annual revenues of Domestic Partnership Ceremonies fees would approximate the \$2,400 in revenues realized in FY 1997-98. In accordance with the

proposed ordinance wherein such fees would accrue to the new Same Sex Domestic Violence Programs Fund, such monies could only be expended for Same Sex Domestic Violence Programs.

2. Ms. Melyssa Jo Kelly, of the Commission on the Status of Women, advises that the Commission on the Status of Women does not presently receive any monies from Domestic Partnership fees. Ms. Kelly reports that in FY 1997-98 the Commission on the Status of Women funded the following same sex domestic violence programs with monies from the General Fund:

<u>Organization</u>	<u>Service</u>	<u>Amount</u>
CUAV (Community United Against Violence)	Outdoor media campaign related to violence against lesbian, bisexual and transgender women	\$20,000*
Women Inc.	Lesbian counseling	<u>20,000</u>
Total		\$40,000

*Estimated

3. According to this proposed ordinance, the fees that will be allocated to the Same Sex Domestic Violence Programs Fund would be subject to appropriation approval of the Board of Supervisors.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Item 11 – File 11-1173

1. The proposed motion would adopt a proposed schedule of audits to be conducted by the Budget Analyst of programs of City and County Departments. The motion would establish a schedule of performance or management audits and a priority order in which they would be performed.

2. The table below shows the proposed schedule of audits in priority order and the status of audits that are either in progress or currently scheduled.

<u>Audit</u>	<u>Estimated Audit Hours, Status of Audits and Budget Data</u>
Treasurer/Tax Collector Update	400 audit hours. Audit started in 1998; expected completion in August, 1998. <u>FY 1998-99 Budget Data:</u> Total Budget \$15,394,600 General Fund Budget \$14,169,650
Department of Parking and Traffic	1,200 audit hours. Audit started in July, 1998; expected completion in December, 1998. <u>FY 1998-99 Budget Data:</u> Total Budget \$54,589,847 General Fund Budget \$37,375,739
San Francisco Zoo	1,290 audit hours. Audit will commence in Fall, 1998. <u>FY 1998-99 Budget Data:</u> Total Budget \$15,026,047 General Fund Budget \$4,050,050
Assessor / Recorder	1,300 audit hours. Audit not yet scheduled. <u>FY 1998-99 Budget Data:</u> Total Budget \$11,533,069 General Fund Budget \$9,378,171

<u>Audit</u>	<u>Estimated Audit Hours, Status of Audits and Budget Data</u>
San Francisco Redevelopment Agency	Audit not yet scheduled. On January 31, 1992, the Budget Analyst completed a limited scope management audit of the San Francisco Redevelopment Agency. 1,011 total audit hours were expended for that limited scope management audit. A comprehensive management audit would require an estimated 2,000 audit hours. FY 1998-99 Budget Data: Total Budget \$101,971,000 General Fund Budget* \$31,589,000

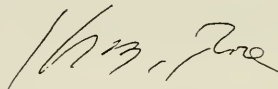
* Includes General Fund contribution and tax
increment funds.

Item 12 - File 11-1137

1. The proposed motion requests that a management audit of the San Francisco Housing Authority be added to the Audit Work Plan of the Budget Analyst. The proposed motion also states that the management audit of the San Francisco Housing Authority should be given priority and be conducted at the earliest juncture.

2. The Budget Analyst last performed a management audit of the San Francisco Housing Authority in 1993 and the final report for that audit was issued on November 24, 1993. The current annual operating budget for the San Francisco Housing Authority is \$41,301,910. The Housing Authority receives no General Fund contribution from the City.

3. A total of 1,798 professional staff hours was required to complete the 1993 management audit of the San Francisco Housing Authority. A similar level of effort for the proposed management audit would cost \$144,685 under the Budget Analyst's Fiscal Year 1998-99 contract, using the current hourly rate of \$80.47 per professional staff hour.



Harvey M. Rose

cc: Supervisor Teng
President Kaufman
Supervisor Newsom
Supervisor Ammiano
Supervisor Bierman
Supervisor Brown
Supervisor Katz
Supervisor Leno
Supervisor Medina
Supervisor Yaki
Supervisor Yee
Clerk of the Board
Controller
Gail Feldman
Matthew Hymel
Stephen Kawa
Ted Lakey

25
198
FINANCE COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

REGULAR MEETING *Agenda
7:20*

DOCUMENTS DEPT.

AUG 06 1998

SAN FRANCISCO
PUBLIC LIBRARY

WEDNESDAY, AUGUST 5, 1998 - 1:00 P.M.

VETERANS BUILDING
401 VAN NESS AVENUE
ROOM 410

MEMBERS: SUPERVISORS MABEL TENG, BARBARA KAUFMAN, GAVIN NEWSOM

CLERK: JONI BLANCHARD

Meeting Commenced: 1:05 p.m.

CONSENT CALENDAR

1. All items listed hereunder constitute a Consent Calendar, are considered to be routine by the Committee and will be acted upon by a single, roll-call vote of the Committee. There will be no separate discussion of these items unless a member of the Committee or the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

- a. File 98-1241. [Reserved Funds, Fire Department] Hearing to consider release of reserved funds, Fire Department (1986 Fire Protection Bond interest earnings, Ordinance No. 127-96), in the amount of \$478,250, to fund repairs and improvements to the Fireboat Phoenix. (Fire Department)

SPEAKERS: None.

ACTION: Release of \$478,250 approved. Filed.

- b. File 98-1191. [Emergency Repair, Buena Vista Terrace Sewer] Resolution approving the expenditure of funds for the emergency repair work to replace the structurally inadequate sewer on Buena Vista Terrace between 14th Street and Duboce Avenue - \$217,935. (Public Utilities Commission)

SPEAKERS: None.

ACTION: Recommended.

- c. File 98-1192. [Emergency Repair, 5th Street/Shipley Avenue Sewer] Resolution approving the expenditure of funds for the emergency repair work to replace the structurally inadequate sewer on 5th Street at Shipley Avenue - \$81,756.79. (Public Utilities Commission)

SPEAKERS: None.

ACTION: Recommended.

REGULAR CALENDAR

2. File 98-1179. [Appropriation, Administrative Services] Ordinance appropriating \$30,100,000, Administrative Services, from Convention Facilities Fund Balance to finance land acquisition, improvements, and tenant relocation for the Moscone Convention Center expansion, for fiscal year 1998-99. RO #98008. (Supervisor Yaki)

SPEAKERS: Harvey Rose, Budget Analyst; John Madden, Assistant Controller - provided information; Jack Moerschbaecher, Director, Convention Facilities - support.

ACTION: Hearing held. Recommended.

3. File 98-1176. [Settlement of Grievance, Fariba Mahmoudi] Ordinance authorizing settlement of the pay grievance of Fariba Mahmoudi filed pursuant to the Memorandum of Understanding between the International Federation of Professional and Technical Engineers, Local 21, AFL-CIO, and the City and County of San Francisco in the amount of Sixteen Thousand Eight Hundred Twenty-Six Dollars and Fifty Cents (\$16,826.50). (Department of Human Resources)
(Consideration continued from 7/29/98)

SPEAKERS: Alice Villagomez, Dept. of Human Resources - requested continuance on behalf of union.

ACTION: Hearing held. Consideration continued to the Call of the Chair.

4. File 98-1120. [Settlement of Grievance] Ordinance authorizing settlement of the pay grievance of Mark Dorian filed pursuant to Memorandum of Understanding between the International Federation of Professional and Electrical Engineers, Local 21, AFL-CIO, and the City and County of San Francisco in the amount of Eighteen Thousand Dollars (\$18,000.00). (Department of Human Resources)
(Consideration continued from 7/22/98)

SPEAKERS: Harvey Rose, Budget Analyst; Alice Villagomez, Dept. of Human Resources - support.

ACTION: Hearing held. Recommended.

5. File 98-0059. [Vehicle Registration Fee, Police Department] Resolution authorizing a fee of one dollar (\$1.00) to be paid at time of vehicle registration renewal, or supplemental application for vehicles registered to an address within the City and County of San Francisco to be used exclusively to fund police programs related to fingerprinting identification of persons committing crimes while operating motor vehicles. (Police Commission)

SPEAKERS: Harvey Rose, Budget Analyst; John Madden, Assistant Controller - provided information; Inspector Michael Gaynor, SFPD - support; Jim Norris, SFPD - support; Ligaya Avenida, Dept. of Human Resources, SFUSD - support; Jerry Coleman, Office of the District Attorney - support.

ACTION: Hearing held. Recommended.

6. File 98-1254. [Sale of Real Property] Ordinance authorizing the Public Utilities Commission to prepare and solicit invitations to bid and/or hold a public auction for the sale of the Bernal Property located in Alameda County, subject to the review and approval by the Board of Supervisors, by Resolution, and Mayor of any final sale of the Bernal Property. (Supervisor Yaki)

SPEAKERS: Harvey Rose, Budget Analyst; Andy Moran, Public Utilities Commission - support.

ACTION: Hearing held. Recommended.

7. File 98-0664. [Municipal Elections Code] Ordinance amending Elections Code Sections 830 and 840 to reduce the fee for publication of ballot arguments in the voter information pamphlet from \$200 plus \$3 per word to \$200 plus \$2 per word and increase the value of signatures submitted in lieu of fees from \$.25 per signature to \$.50 per signature. (Supervisor Yee)

SPEAKERS: Harvey Rose, Budget Analyst; Supervisor Yee - support; Ted Lakey, Deputy City Atty. - provided information; Naomi Nishioka, Acting Registrar of Voters - provided information; Richard Ow - support; Tony Kilroy - support; Joe Lacey - support; Maurice Dopp - support; Doug Comstock - support; Frederick Hobson - support; Norman Rolfe - support; Edward Evans - support; Robert Pender - support.

ACTION: Hearing held. Amended beginning on line 6 after "signature" to add "; effective January 1, 1999."; amended beginning on line 19 to add "Section 2. The provisions of this ordinance shall become effective January 1, 1999." (See new title). Recommended as amended.

New Title: [Municipal Elections Code] Ordinance amending Elections Code Sections 830 and 840 to reduce the fee for publication of ballot arguments in the voter information pamphlet from \$200 plus \$3 per word to \$200 plus \$2 per word and increase the value of signatures submitted in lieu of fees from \$.25 per signature to \$.50 per signature; effective January 1, 1999. (Supervisors Yee, Newsom)

NOTE: Supervisor Newsom added as co-sponsor.

0.25

5/98

CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

July 31, 1998

TO: Finance Committee

FROM: Budget Analyst *Recommendations for meeting of*

SUBJECT: August 5, 1998 Finance Committee Meeting

Item 1a - File 98-1241

DOCUMENTS DEPT.

AUG 05 1998

SAN FRANCISCO
PUBLIC LIBRARY

Department: Fire Department (SFFD)
Department of Public Works (DPW)

Item: Hearing to consider the release of \$478,250 held on reserve for the repair and improvement of the Fireboat Phoenix.

Amount: \$478,250

Source of Funds: Previously reserved interest accrued on Fire Protection Systems Improvement General Obligation Bonds

Description: In November of 1986, San Francisco voters approved Proposition A for the issuance of \$46.2 million in Fire Protection Systems Improvement General Obligation Bonds. These bonds were to finance the City's Auxiliary Water Supply System (AWSS). The AWSS is a system of reservoirs, cisterns, pipelines, pump stations and fireboats, used as a water supply source for fire protection in emergency situations.

In 1987, the City sold \$31 million of Fire Protection Systems Improvement Bonds and the remaining \$15.2 million in 1991 for a total of \$46.2 million. In March of

1996, the Board of Supervisors approved a Supplemental Appropriation of \$3,907,900 from accrued interest earned on the Fire Protection Systems Improvement Bonds for four types of capital improvements: (1) repair and improvement of the Fireboat Phoenix, (2) installation of motorized AWSS Control Valves, (3) repairs to AWSS Water Storage Tanks, and (4) emergency repairs of AWSS facilities.

The Board of Supervisors placed \$3,269,850 of the \$3,907,900 on reserve, pending submission of contract cost details. A total of \$427,655 has been previously released, resulting in a remaining balance on reserve of \$2,842,195. This request would authorize the release of \$478,250 in previously reserved funds for the repair and improvement of the Fireboat Phoenix.

Budget:

DPW received two responsive bids for the repair and improvement of Fireboat Phoenix. Attachment 1 to this report, provided by DPW, is a tabulation of the two bids. The low bid was submitted by Stone Boat Yard. A summary budget of the cost is as follows:

Construction	\$469,425
Contingency – 10%	46,943
DPW Construction Management and Design*	<u>53,500</u>
Total Construction	\$569,868
Total Requested Release of Reserve	<u>478,250</u>
Balance from previously appropriated Fire Department funds	\$91,618

* See Attachment 2 provided by DPW for details.

Comment:

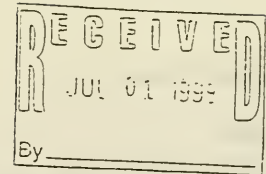
According to Mr. Patrick Rivera of DPW, the proposed contract to Stone Boat Yard states that work must be completed in 220 calendar days after the contract commences. DPW expects work to begin on the Fireboat Phoenix in mid September and expects the work to be completed by no later than April 30, 1999.

Recommendation:

Approve the requested release of reserved funds in the amount of \$478,250.

BOARD OF SUPERVISORS
BUDGET ANALYST

City and County of San Francisco
 Department of Public Works
 TABULATION OF BIDS
 (REVISED)



EC NO.: 7524E
 LE: SFFD Fireboat "Phoenix"
 Biennial Maintenance and Improvements

S RECEIVED: June 24, 1998

DEBIDERS:			<u>Base Bid</u>
	Stone Boat Yard	WBE	<u>469,425</u>
	Bay Ship & Yacht Co.	No Pref.	649,943
		Average Bid:	559,684
		Engineer's Estimate:	428,750
		% of Engineer's Estimate:	131%

Amount revised for correction of Stone Boat Yard A1 unit bid price in bid item No. 27.

PARENT LOW BIDDER: Stone Boat Yard
 2517 Blanding Avenue
 Alameda, CA 94501
 Tel (510) 523-3030

CONTRACTORS:	Delta Sand Blasting	Sand Blasting & Paint	27,400
	Western Industrial	Welding	23,500
	Webb Engineering	Heat Exchange Cleaning	1,500
	PCI	Insulation	7,200
	Pacific Chemical	Gas Free Certs	2,050
	Bob Jew	DPW Accounting	Helen Liu
	Mark Primeau	Maurice Williams	All bidders
	Linda Chin	Bill Webb	

: 25, 1998

Fireboat Phoenix

Class. No.	Title	Hours	Cost per		Total	Duties
			Hour	Hour		
5318	Construction Inspector	528	\$ 68.00		\$ 35,904.00	Field Inspector
5208	Civil Engineer	108	\$ 83.47		\$ 9,014.76	Construction Manager
5256	Mechanical Engineer	73	\$ 83.26		\$ 6,077.98	Design Support
	Prevailing Wage Monitoring				\$ 2,500.00	
					\$ 53,496.74	
			say		\$ 53,500.00	

Post-It* Fax Note	7671	Date	7/29	# of pages	1
To	7466-07050-0	From	7466-07050-0		
Co./Dept.		Co.			
Phone #		Phone #	558-4045		
Fax #	552-0461	Fax #	-4052-		

Item 1b- File 98-1191

Department: Public Utilities Commission (PUC)
Department of Public Works (DPW)

Item: Resolution authorizing the expenditure of funds in the amount of \$217,935 for emergency repair work to replace the structurally inadequate sewer on Buena Vista Terrace between 14th Street and Duboce Avenue.

Amount: \$217,935

Source of Funds: FY 1997-98 PUC Repair and Replacement Fund

Description: The Public Utilities Commission advises that on February 2, 1998 the sewer located on Buena Vista Terrace between 14th Street and Duboce Avenue had failed and immediate repairs were required in order to protect the health, welfare and property of the Citizens of San Francisco. The PUC declared an emergency on February 2, 1998. In accordance with Section 6.30 of the Administrative Code, the PUC initiated expedited contract procedures and the PUC awarded a contract to Uniacke Construction, Inc. in the amount of \$150,360. Changes to the contract resulted in the final construction cost increasing by \$16,925 to \$167,285.

Budget: The total estimated project cost is \$217,935 including \$167,285 for construction work and \$50,650 for DPW design and construction management costs. Attachment I details the costs incurred by the Contractor. Attachment II details the DPW design and construction management costs.

Comment:

1. Mr. P.T. Law of the DPW advises that due to the emergency nature of the repair work (collapse of part of Buena Vista Terrace) the first available contractor, Uniacke Construction, Inc. was selected to complete the repair project.
2. Mr. Law advises that due to additional curb and sidewalk restoration work, the final payment to Uniacke Construction, Inc. was \$167,285 or \$16,925 more than the bid amount of \$150,360.

BOARD OF SUPERVISORS
BUDGET ANALYST

3. Mr. Law reports that the repair work of the damaged sewer began on February 3, 1998 and was completed on February 26, 1998.

4. Mr. Norman Chan of the DPW advises that due to various delays in receiving expenditure documentation from Uniacke Construction, Inc., the PUC is requesting approval of this proposed resolution approximately five months after the construction work was completed.

Recommendation: Approve the proposed resolution.

CITY AND COUNTY OF SAN FRANCISCO
DEPARTMENT OF PUBLIC WORKS
BUREAU OF CONSTRUCTION MANAGEMENT

PROGRESS ESTIMATE NO. 1 PROJECT TITLE: 1614M VISTA TERRACE EMERGENCY SEWER REPLACEMENT
JOE ONTECO NO. 1834M CONTRACT NO. CCM-190
FOR WORK PERFORMED MARCH 31, 98

CONTRACT AMOUNT	APPROX. C.U.	FINANCIAL FORECAST TOTAL	EXP. TO DATE	%	QUANTITY	UNIT	PRICE	START/END	EST. THIS MONTH	EST. THIS YEAR	AMOUNT	QUANTITY	TOTAL ESTIMATE	EST. COMPL.
\$150,300.00	16125	\$150,300.00	\$0.00	100%	100%	Lump Sum	\$150,300.00	2090	2090	2090	\$150,300.00	1	\$150,300.00	NA
NUMBER	DESCRIPTION	CONTRACT AMOUNT	CONTRACT AMOUNT	QUANTITY	UNIT	PRICE	START/END	EST. THIS MONTH	EST. THIS YEAR	AMOUNT	QUANTITY	TOTAL ESTIMATE	EST. COMPL.	
1	1614M Vista Terrace Emergency Sewer Replacement	\$150,300.00	\$150,300.00	100%	Lump Sum	\$150,300.00	2090	2090	2090	\$150,300.00	1	\$150,300.00	100%	
2	1614M Vista Terrace Emergency Sewer Replacement	\$150,300.00	\$150,300.00	100%	Lump Sum	\$150,300.00	2090	2090	2090	\$150,300.00	1	\$150,300.00	100%	
3	1614M Vista Terrace Emergency Sewer Replacement	\$150,300.00	\$150,300.00	100%	Lump Sum	\$150,300.00	2090	2090	2090	\$150,300.00	1	\$150,300.00	100%	
4	1614M Vista Terrace Emergency Sewer Replacement	\$150,300.00	\$150,300.00	100%	Lump Sum	\$150,300.00	2090	2090	2090	\$150,300.00	1	\$150,300.00	100%	
5	1614M Vista Terrace Emergency Sewer Replacement	\$150,300.00	\$150,300.00	100%	Lump Sum	\$150,300.00	2090	2090	2090	\$150,300.00	1	\$150,300.00	100%	
6	1614M Vista Terrace Emergency Sewer Replacement	\$150,300.00	\$150,300.00	100%	Lump Sum	\$150,300.00	2090	2090	2090	\$150,300.00	1	\$150,300.00	100%	
7	1614M Vista Terrace Emergency Sewer Replacement	\$150,300.00	\$150,300.00	100%	Lump Sum	\$150,300.00	2090	2090	2090	\$150,300.00	1	\$150,300.00	100%	
8	1614M Vista Terrace Emergency Sewer Replacement	\$150,300.00	\$150,300.00	100%	Lump Sum	\$150,300.00	2090	2090	2090	\$150,300.00	1	\$150,300.00	100%	
9	1614M Vista Terrace Emergency Sewer Replacement	\$150,300.00	\$150,300.00	100%	Lump Sum	\$150,300.00	2090	2090	2090	\$150,300.00	1	\$150,300.00	100%	
10	1614M Vista Terrace Emergency Sewer Replacement	\$150,300.00	\$150,300.00	100%	Lump Sum	\$150,300.00	2090	2090	2090	\$150,300.00	1	\$150,300.00	100%	
11	1614M Vista Terrace Emergency Sewer Replacement	\$150,300.00	\$150,300.00	100%	Lump Sum	\$150,300.00	2090	2090	2090	\$150,300.00	1	\$150,300.00	100%	
12	1614M Vista Terrace Emergency Sewer Replacement	\$150,300.00	\$150,300.00	100%	Lump Sum	\$150,300.00	2090	2090	2090	\$150,300.00	1	\$150,300.00	100%	
13	1614M Vista Terrace Emergency Sewer Replacement	\$150,300.00	\$150,300.00	100%	Lump Sum	\$150,300.00	2090	2090	2090	\$150,300.00	1	\$150,300.00	100%	
14	1614M Vista Terrace Emergency Sewer Replacement	\$150,300.00	\$150,300.00	100%	Lump Sum	\$150,300.00	2090	2090	2090	\$150,300.00	1	\$150,300.00	100%	
15	1614M Vista Terrace Emergency Sewer Replacement	\$150,300.00	\$150,300.00	100%	Lump Sum	\$150,300.00	2090	2090	2090	\$150,300.00	1	\$150,300.00	100%	
GRAND TOTAL		\$150,300.00	\$150,300.00	100%	Lump Sum	\$150,300.00	2090	2090	2090	\$150,300.00	1	\$150,300.00	100%	

PAYMENT REQUESTED BY: *[Signature]* ESTIMATE PREPARED BY: *[Signature]* 3-27-98
APPROVED BY: *[Signature]* REVIEWED BY: *[Signature]* 1-2-98
CONSTRUCTION MANAGER

ATTACHMENT II

Buena Vista Terrace Emergency Sewer Repair

Hydraulics

Classification	Rate	Hours	Cost
5504	\$92	25	\$2,300
5206	\$75	100	\$7,500
5204	\$62	105	\$6,510
5366	\$60	103	\$6,180
5381	\$33	100	\$3,300
1426	\$43	20	\$860
			\$26,650

Construction Management

Classification	Rate	Hours	Cost
5210	\$100	28	\$2,800
5208	\$80	100	\$8,000
5204	\$62	100	\$6,200
6318	\$70	100	\$7,000
			\$24,000

Total \$50,650

Post-It Fax Note	7671	Date	# of Pages 6
To	JUSTINE NOLAN	From	P.T. LAW
Co./Dept.	5th/Supply & Repair	Co.	
Phone #	Vista	Phone #	554-8347
Fax #	252-0461	Fax #	

Item 1c - File 98-1192

Department: Public Utilities Commission (PUC)
Department of Public Works (DPW)

Item: Resolution authorizing the expenditure of funds in the amount of \$81,756.79 for emergency repair work to replace the structurally inadequate sewer on 5th Street at Shipley Avenue.

Amount: \$81,756.79

Source of Funds: 1994 Sewer Bond Fund

Description: The Public Utilities Commission advises that on August 15, 1997 the sewer located on 5th at Shipley Avenue had failed and immediate repairs were required in order to protect the health, welfare and property of the Citizens of San Francisco. The PUC declared an emergency on August 25, 1997. In accordance with Section 6.30 of the Administrative Code, the PUC initiated expedited contract procedures and the PUC awarded a contract to the sole bidder, Esquivel Grading & Paving, Inc., in the amount of \$48,256.79.

Budget: The total estimated project cost is \$81,756.79 including \$48,256.79 for construction work and \$33,500 for DPW design and construction management costs. Attachment I details the costs incurred by the Contractor. Attachment II details DPW design and construction management costs.

Comment: 1. Mr. P.T. Law of the DPW, advises that 20 firms were contacted regarding this project but only one company submitted a bid. The sole bidder was Esquivel Grading and Paving Inc. The bid was submitted on August 22, 1997 in the amount of \$52,825.

2. Mr. Law advises that various bid items were deleted from the contract. Therefore the final payment to Esquivel Grading & Paving, Inc was \$48,256.79 or \$4,568.10 less than the bid amount of \$52,825.

3. Mr. Law reports that the repair work of the damaged sewer began on August 22, 1997 and was completed on December 8, 1997. Attachment III explains why the repair work took approximately three and one half months to complete.

4. Mr. Norman Chan of the DPW advises that due to various delays in receiving expenditure documentation from Esquivel Grading & Paving, Inc., the PUC is requesting approval of this proposed resolution approximately eight months after the construction work was completed.

Recommendation: Approve the proposed resolution.

ROUGH 12-30-97
SPEC. NO. 1498N

PROGRESS ESTIMATE NO. 1
PROJECT TITLE: 5th Street & Shipley E

[illegible]

PAYMENT
REQUESTED BY:

ESTIMATE PREPARED
AND SUBMITTED BY:

CONTRACTOR - Esquel Grading/Paving

APPROVED BY:

CONSTRUCTION MANAGER

5th/Shipleigh Streets Emergency Sewer Repair

Hydraulics

Classification	Rate	Hours	Cost
5504	\$ 92	20	\$ 1,840
5206	\$ 75	60	\$ 4,500
5204	\$ 62	75	\$ 4,650
5366	\$ 60	71	\$ 4,260
5381	\$ 33	52	\$ 1,716
1426	\$ 43	30	\$ 1,290
			\$ 18,256

Construction Management

Classification	Rate	Hours	Cost
5210	\$ 100	13	\$ 1,300
5208	\$ 80	63	\$ 5,040
5204	\$ 62	52	\$ 3,224
6318	\$ 70	24	\$ 1,680
			\$ 11,244

Traffic Engineering

Cost	\$ 4,000
	\$ 4,000

Total \$ 33,500

To: Justine Nolan
Fax No.: 252-0461

From: P. T. Law
Phone No.: 554-8347

Justine,

Here is a summary for the contract delay for 5th/Shipley. You are more than welcome to shorten the summary if you wish. But this is the shortest and most detailed summary I was able to obtain.

Thank you for your assistance.

P.T. Law

Before construction, the Resident Engineer was notified by property owner next to the construction site that he was in the process of demolishing his building, and he needed to evict his tenants. The tenants needed extra time to vacate the premises. To avoid traffic conflict, the Resident Engineer agreed to delay the construction start date. The Contractor, Esquivel Grading & Paving, was also instructed by a BCM manager to complete another contract on Bay Street (Fisherman's Wharf area) so construction would not interfere with tourist traffic. In addition, Esquivel, Grading & Paving was the only Contractor who submitted a quotation for this contract. Because of the situation noted, the Resident Engineer granted a no cost time extension for the time overrun related to this contract.

Item 2 – File 98-1179

Department: Department of Administrative Services
Convention Facilities Management

Item: Supplemental Appropriation in the amount of \$30,100,000 to finance land acquisition, improvements, and tenant relocation for the Moscone Convention Center expansion.

Amount: \$30,100,000

Source of Funds: Unappropriated Convention Facilities Funds - Fund Balance. The source of funds for the Fund Balance is comprised of a) revenues in excess of appropriations from Hotel Tax Funds allocated directly to the Convention Facilities Fund, b) operating revenues from rentals and concessions related to the operation of the Moscone Convention Center, and c) revenue transfers from the General Fund.

Description: In March, 1996, San Francisco voters approved a ballot measure to authorize issuance of lease revenue bonds, in an amount not to exceed \$157,500,000, for the development of a new facility to provide additional convention meeting and exhibit space to supplement the Moscone Center. The proposed new facility would contain 300,000 square feet for such meeting and exhibit space. The existing Moscone Convention Center, which was originally built as a 300,000 square feet facility and was expanded by an additional 300,000 square feet in a two-phase project finally completed in 1992, now encompasses a total of 600,000 square feet in convention meeting and exhibit space. Upon completion of the proposed new facility, the total area of meeting and exhibition space would amount to 900,000 square feet.

To date, none of the \$157,500,000 in lease revenue bonds authorized by the voters have been sold because available Convention Facilities Funds have been sufficient to support expected expenditures through the end of Fiscal Year 1998-99. Further, by not selling such bonds, capitalized interest costs have not been incurred by the City. Capitalized interest expenses are required interest payments on bonds during the period between the sale of the bonds and the completion of the capital improvement project because operating revenues are

not available to support debt service until the project is complete.

However, total appropriations of \$45,458,000 have been allocated for the project to date. The source of funds for such appropriations includes \$29,000,000 in Convention Facilities Funds appropriated in the Fiscal Year 1996-97 budget and unexpended lease revenue bond funds and interest earnings from the previous Moscone Expansion project finally completed in 1993 in the amount of \$16,458,000. According to Mr. Leonard Tom, Financial Manager for the Moscone Convention Center Expansion Project, a total of approximately \$4,229,000 in such appropriations have been expended through March 31, 1998 for the following purposes:

Land Purchase - Real Estate Services and Permits	\$ 31,000
Project Management (Includes Environmental Review)	
Consultants	203,000
City Departments	1,330,000
Design - Architectural Services	<u>2,665,000</u>
Total	\$4,229,000

If the \$30,100,000 in Convention Facility funds requested through this supplemental appropriation is approved, and therefore added to existing appropriations of \$45,458,000, total appropriations for the Moscone Convention Center Expansion would amount to \$75,558,000. According to Mr. Tom, additional funds are required to acquire approximately 189,226 square feet of land area, at a total estimated cost to the City of \$57,000,000, or an average cost of \$301.23 per square foot in order to accommodate the proposed new facility that will contain 300,000 square feet of meeting and exhibition space. To date, the environmental review process and the design development phase have been completed and work has begun on the construction documents. The project's goal is to begin construction of the new facility for the Moscone Convention Center Expansion Project in February, 2000. In order to meet that goal, according to Mr. Tom, the land acquisition phase must begin this summer.

According to Mr. Jack Moerschbaeher, Director of Convention Facilities, the land acquisition necessary for the Moscone Convention Center Expansion Project is expected to require an eminent domain lawsuit. Eminent domain is the legal right of a

governmental entity to appropriate private property for public use, after compensating the owner for the fair market value of the property. Prior to filing such a lawsuit, the Board of Supervisors must adopt, by a two-thirds vote, a resolution of public interest and necessity to appropriate the property. Such a resolution will be submitted to the Board of Supervisors by the Department of Real Estate for introduction on Monday, August 3, 1998, with a proposed public hearing date before the full Board on August 24, 1998. A description of the property to be acquired for the Moscone Convention Center Expansion project is provided in Attachment 1 to this report. Attachment 2 to this report provides a map of the land area that would be acquired.

Based on an appraisal by the Department of Real Estate, the fair market value of the property to be acquired by eminent domain totals \$57,000,000. The table below summarizes the cost, land area, cost per square foot of land and existing improvements for the proposed property to be acquired.

Property	Appraised Fair Market Value	Total Square Footage of Land	Cost per Square Foot of Land	Existing Improvements
1. Hearst Corporation Parking Lot - 860 Howard Street	\$15,000,000	109,977	\$136.39	Asphalt Paving, chain link fence and parking control equipment - used as a fee parking lot for approximately 440 automobiles
2. 325 Minna Street	4,000,000	13,999	285.73	Office and Retail building of approximately 28,500 rentable square feet
3. 150 4th Street	38,000,000	55,250	687.78	Office and Retail building, including a rentable area of approximately 272,500 square feet of office and retail area and basement parking for approximately 140 automobiles.
4. Holland Court	no cost	10,000	0.00	A dedicated City street.
Total	\$57,000,000	189,226	\$301.23	

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Finance Committee
August 5, 1998 Finance Committee Meeting

The requested \$30,100,000 supplemental appropriation is to add to existing appropriations of \$45,458,000 to support total estimated project expenditures through Fiscal Year 1998-99 of \$75,558,000. The proposed budget for the full amount of \$75,558,000, to be expended over the three-year period from Fiscal Year 1996-97 through Fiscal Year 1998-99 is shown below. Attachment 3 to this report, provided by Mr. Tom, furnishes additional details on the costs for the consultants, including a list of the consultants retained, and the costs for City Departments to support the budget as shown below.

LAND PURCHASE

Land Price (Formal Offer)	\$57,000,000	
Tenant Relocation Allowance	1,600,000	
Related Costs (legal, fees, etc.)		
Dept. of Real Estate wk orders	55,000	
City Attorney wk orders	30,000	
Litigation allowance (direct)	150,000	
Appraisal phase 1	60,000	
Appraisal phase 2	150,000	
Permits & fees	<u>212,000</u>	
LAND PURCHASE TOTAL		\$59,257,000

PROJECT MANAGEMENT(Includes Environmental Review)

City Department Costs		
Project Staff (FY 1996-97)	\$ 434,000	
DPW services w/Project Management (FY 1997-98 through FY 1998-99)	1,799,000	
City Planning Dept.	400,000	
City Attorney	167,000	
Art Commission	330,000	
Fire Department	20,000	
Building Dept. (services)	62,000	
Building Dept. (site permit)	800,000	
Parking & Transportation	40,000	
Other miscellaneous depts.	<u>51,000</u>	
City Dept. Subtotal		\$ 4,103,000
Consultant Services		794,000
Project Management Contingency		<u>460,000</u>
PROJECT MANAGEMENT TOTAL		\$ 5,357,000

DESIGN

Architectural Services	\$ 9,510,000	
Pre-Construction Management	<u>1,434,000</u>	
DESIGN TOTAL		<u>\$10,944,000</u>
GRAND TOTAL		\$75,558,000 *

* Includes \$4,229,000 in expenditures through March 31, 1998.

BOARD OF SUPERVISORS
BUDGET ANALYST

Comments:

1. The current estimated total project cost for the proposed Moscone Convention Center Expansion Project is approximately \$319,000,000. The source of funds for the project will be Convention Facility Funds, net bond proceeds from the \$157,500,000 in authorized lease revenue bonds, and interest earnings on the bond proceeds. A summary budget including estimated revenue sources and expenditures is shown below.

Revenues

Convention Facility Funds	\$ 202,944,000
Net Bond Proceeds from the sale of \$157,500,000 in bonds less issuance costs, debt service reserve and capitalized interest	113,003,000
Bond Interest	<u>3,073,200</u>
Total Revenues	\$319,020,200

Expenditures

Land Acquisition, demolition, relocation; Design/Construction Management	\$ 99,972,000*
Construction (including furnishings)	191,000,000
Off-Site Infrastructure (Street improvements; utilities; public lighting)	2,755,000
Project Management	12,900,900
Contingency (6.5% of Construction costs)	<u>12,392,300</u>
Total Estimated Project Costs	\$319,020,200

* Land acquisition, demolition, relocation; Design, and Construction Management costs of \$99,972,000 includes the \$57,000,000 fair market appraisal for the actual purchase of the properties to be acquired for the new facility.

According to Mr. Tom, construction is expected to begin in February, 2000 with project completion estimated in February, 2003.

2. Attachment 3 to this report provides a detailed breakdown of costs for City Department and consulting services in support of the Moscone Convention Center Expansion Project for the three year period ending June 30, 1999. According to Mr. Tom, all consultant selection for the Expansion Project has been done either through a competitive Request-for-Proposal (RFP) process or have been chosen from the Department of Public Works' "As Needed" consultants. DPW "As Needed" consultants are first selected through a competitive RFP process to enter into an initial contract, and then must provide proposals before being selected for specific engagements.

Recommendation: Approval of the proposed supplemental appropriation is a policy matter for the Board of Supervisors.

**OVERVIEW
PREFERRED SITE FOR MOSCONE EXPANSION SITE
ASSESSOR'S BLOCK 3724**

HEARST CORPORATION PARKING LOT	109,977 square feet
Hearst Corp.	Lots 18, 35-38, 69

350 feet of frontage on Howard St. at the NWC of Holland Ct.; 229 feet of frontage on Minna St. Currently improved for use as fee parking. Paved with asphalt and fenced with chain link.

325 MINNA STREET	12,999 square feet
Chelsea Development, et al (Nishkian Trust, Harold Moose, et al - a partnership)	Lot 68

Currently improved with a 2 story and basement, concrete office and restaurant building of $\pm 28,500$ rentable square feet which covers the entire site. 125 feet of frontage on Minna St.; 48 feet of frontage on the west line of Holland Ct.; 40 feet of frontage at the northerly terminus of Holland Ct. Occupied by (1) Cadillac Bar & Grill, (2) Nishkian & Associates, Structural Engineers (associated with building ownership), and (3) Department of Corrections, State of California.

150 4th STREET	55,250 square feet
WCB II More Limited Partnership (Brad Baker, Sr. VP; Newport Beach)	Lot 70

The existing improvements to be demolished. Currently improved with a $\pm 272,500$ rentable square foot, 6 story concrete and steel office and retail building with basement parking. Building covers the entire site. 350 feet of frontage on 4th St., 160 feet on Howard St., 150 feet on Minna St., and 275 feet on Holland Ct. Current office tenants (± 20) include U.C. Berkeley Extension, State Compensation Insurance Fund, Pacific Bell Directory Services and Sumitomo Bank. Retail tenants include Chevy's, Willow Street Pizza, TGI Friday's and Bank of America.

HOLLAND COURT (A DEDICATED STREET)	11,000 square feet
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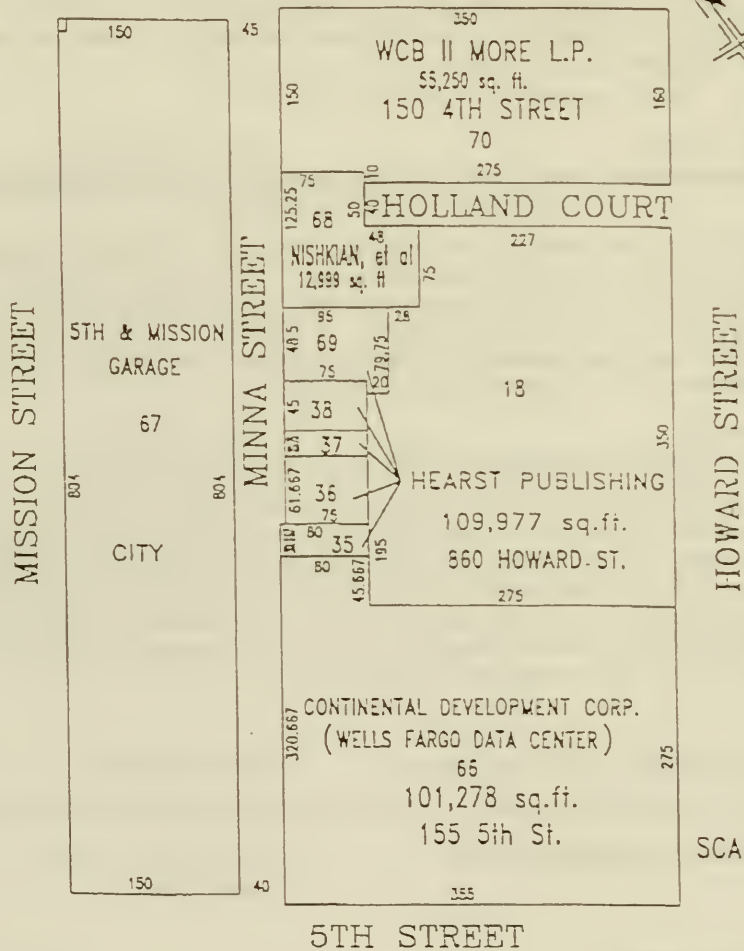
The entire street to be vacated and included in the footprint of the new structure.

TOTAL AREA OF PREFERRED SITE	$\pm 189,226$ Square Feet
	± 4.344 Acres

PROPOSED MOSCONE EXPANSION SITE

BLOCK 3724

4TH STREET



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MOSCONE CENTER EXPANSION PROJECT
 SUPPLEMENTAL APPROPRIATION REQUEST FY 98/99
 BUDGETED HOURS AND RATES, CITY DEPTS. & CONSULTANTS 7/1/96-6/30/99

suppapp98C.1
 7/29/98

Department/Consultant	Budgeted Amount	Position/Expense	Budgeted Hours	Budgeted Rate	Budgeted Cost	Summary
LAND PURCHASE						
Dept. of Real Estate work orders	\$ 55,000	Sr. Real Property Officer	592	\$ 93	\$ 55,000	
						\$ 55,000
City Attorney work orders	30,000	Deputy City Attorney(s)	273	110	30,000	
	60,000	Appraisal Phase 1	<i>Estimates provided by</i>		60,000	
	150,000	Appraisal Phase 2	<i>Dept. of Real Estate</i>		<u>150,000</u>	240,000
Litigation Allowance (direct)	150,000	Deputy City Attorney(s) direct litigation costs	910	110	100,100	
					<u>49,900</u>	150,000
PROJECT MANAGEMENT						
Mayor (MCEP staff FY 96-97)	\$ 434,000	Project Manager	2088	\$ 58	\$ 120,269	
		Deputy Project Manager	1644	46	75,765	
		Financial Manager	1644	45	73,958	
		Asst. Project manager	2088	38	78,422	
		Administrative Assistant	865	25	21,712	
		Direct Expenses			<u>63,875</u>	\$ 434,000
DPW services w/Proj. Manager	1,799,000	Project Manager	4176	97	406,847	
		Deputy Project Manager	4176	75	313,200	
		Financial Manager	4176	69	286,891	
		Asst. Project manager	4176	65	269,352	
		Administrative Assistant	4176	44	181,710	
		Direct Expenses			120,000	
BCM/Surveys		Surveyor(s)	2167	42	91,000	
BCM/SAR		Civil Engineer(s)	2031	64	<u>130,000</u>	1,799,000
City Planning Dept.	400,000	OER Director	525	51	26,775	
		Env. Review Officer	1750	40	70,000	
		Sr. Planner	1240	51	63,225	
		environmental consultants			<u>240,000</u>	400,000
City Attorney	167,000	Deputy City Attorney(s)	1518	110	167,000	167,000
Art Commission	330,000	Program Director	660	65	42,900	
		Assistant Director	585	60	35,100	
		Staff support	400	30	12,000	
		Direct Expenses			85,000	
		Artist(s) by contract			155,000	330,000
Fire Department	20,000	Fire Inspectors	363	55	19,965	19,965
Building Inspection	62,000	Sr. Building Inspectors	1000	62	62,000	62,000
Parking & Traffic	40,000	Sr. Traffic Engineer(s)	214	70	15,000	
		Traffic Engineer(s)	455	55	25,000	40,000
Other Miscellaneous Depts.	51,000	Project Manager (CAO)	600	60	36,000	
		Electrical Engineer(s) (PTC)	67	60	4,000	
		other as needed engineers	183	60	11,000	51,000

MOSCONE CENTER EXPANSION PROJECT
 SUPPLEMENTAL APPROPRIATION REQUEST FY 98/99
 BUDGETED HOURS AND RATES, CITY DEPTS. & CONSULTANTS 7/1/96-6/30/99

suppapp98C.1
 7/29/98

Department/Consultant	Budgeted Amount	Position/Expense	Budgeted Hours	Budgeted Rate	Budgeted Cost	Summary
CONSULTANT SERVICES						
Transportation (DKS)	\$ 182,000	Sr. Transportation Engineer	1820	\$ 100	\$ 182,000	
						\$ 182,000
Site Assessment (Malcom Drilling)	256,000	drilling	849	225	191,000	
(Archeo-Tec/Tetra-Tec)		site investigator(s)/analyst(s)	1000	65	<u>65,000</u>	256,000
Wind/Shadow (Environmental Science Associates)	15,000	Lead Investigator	50	125	6,250	
		Technician/Artist	135	65	<u>8,750</u>	15,000
Geotechnical (Treadwell & Rollo)	306,000	Principal	100	130	13,000	
		Project Manager	300	90	27,000	
(Transpacific)		Principal	294	97	28,500	
		Project Manager(s)	1500	65	97,500	
		Staff	2000	45	90,000	
		direct expenses			<u>50,000</u>	306,000
Archeology (Archeo-Tec)	27,000	Principal Investigator	100	85	8,500	
		Research Associate	173	55	9,500	
		Research Assistant	200	45	<u>9,000</u>	27,000
Miscellaneous (Don Todd)	8,000	Manager	75	52	3,900	
		Estimator(s)	100	41	<u>4,100</u>	
						<u>8,000</u>
		Total - Consultants				\$ 794,000
DESIGN						
Architects (Gensler/Michael Willis/ Kwan Henmi Joint Venture)	\$ 9,510,000	Principal (Gensler)	250	\$ 250	\$ 62,439	
		Principal (Kwan Henmi)	254	155	39,370	
		Principal (Michael Wills)	255	130	33,150	
		Project Director	6000	135	810,000	
		Project Designer(s)	5000	150	750,000	
		Project Architect(s)	8000	110	880,000	
		Senior Architect(s)	11000	75	825,000	
		Architect(s)	12000	60	720,000	
		Technician(s)	12000	45	540,000	
		Subconsultants			3,000,000	
		Direct Expenses			<u>1,850,000</u>	
						\$ 9,509,959
PRE-CONSTRUCTION						
MANAGEMENT	\$ 1,434,000	Principal	122	133	\$ 16,200	
(EPC Consultants)		Project Manager	1100	81	89,100	
		Engineer(s)	1200	63	75,600	
		Administrative Assistant	900	29	26,100	
		Subconsultants			200,000	
		Direct Expenses			100,000	
(Luster/Structus)		Project Director	650	103	67,000	
		Subconsultants			110,000	
(to be determined)					<u>750,000</u>	
						\$ 1,434,000

Item 3 - File 98-1176

Note: This item was continued by the Finance Committee at its meeting of July 29, 1998.

Department: Department of Human Resources (DHR)
Department of Transportation

Item: Ordinance authorizing the settlement of a pay grievance of Ms. Fariba Mahmoudi filed against the City pursuant to the Memoranda of Understanding (MOU) between the International Federation of Professional and Technical Engineers, Local 21, AFL-CIO, in the amount of \$16,826.50.

Description: The proposed ordinance would approve a settlement against the City in the amount of \$16,826.50 for a grievance filed on behalf of Ms. Fariba Mahmoudi by the International Federation of Professional and Technical Engineers, Local 21.

According to Mr. Geoffrey Rothman, of DHR, Ms. Mahmoudi was hired by the Department of Transportation as a 5202 Junior Civil Engineer at Step 1 on March 29, 1994 and worked at Step 1 for the period March 29, 1994 through November 17, 1995. According to Mr. Rothman, as stated in his attached memorandum of July 22, 1998, "At the time of her [Ms. Mahmoudi] offer of employment she was informed that she could be appointed above the entrance rate of step 1 if she provided records documenting that she would experience a loss of compensation if she was appointed at step 1. Ms. Mahmoudi submitted the required documentation to the Department of Transportation to justify an appointment to step 5. No action was initiated by the department to request approval of the step 5 appointment."

The annual salary at Step 5 of a 5202 Junior Civil Engineer position as of March 29, 1994 when Ms. Mahmoudi was hired was \$44,970 or \$7,882 higher than the annual salary of \$37,088 at Step 1. On November 18, 1995, Ms. Mahmoudi was promoted to classification 5204 Assistant Civil Engineer at step 3 and worked at step 3 for the period November 18, 1995 through August 11, 1997. If her promotion to the 5204 Assistant Civil Engineer position had been based on step 5 of a 5202 Junior Civil Engineer position, Ms. Mahmoudi would

BOARD OF SUPERVISORS
BUDGET ANALYST

have been promoted to step 4 of the 5204 Assistant Civil Engineer position instead of to step 3 of the 5204 Assistant Civil Engineer position. As of November 18, 1995, the date of her promotion, the annual salary at step 4 of a 5204 Assistant Civil Engineer position was \$48,598 or \$2,766 higher than the \$45,832 annual salary at the step 3 salary which Ms. Mahmoudi received.

Article III.3.G-Appointment Above Entrance Rate of the Memorandum of Understanding (MOU) between the International Federation of Professional and Technical Engineers, Local 21 states that, "Appointments may be made by an appointing officer at any Step in the compensation schedule upon the approval of the Human Resources Director under one or more of the following conditions: a) A former permanent City employee, following resignation with service satisfactory, is being reappointed to a permanent position in his/her former classification, b) loss of compensation would result if appointee accepts position at the normal Step, c) a severe, easily demonstrated and documented recruiting and retention problem exists, d) the appointee possessed special experience, qualifications, and/or skills including, but not limited to, the number of years performing similar work elsewhere which, in the Appointing Officer's opinion, warrants appointment above the entrance rate, e) to be considered, requests for adjustments under the provisions of this Section must be received in the offices of the Department of Human Resources not later than the end of the fiscal year in which the appointment is made, and f) when the Human Resources Director approves appointments of all new hires in a classification at a Step above the entrance rate, the Human Resource Director may advance to that Step incumbents in the same classification who are below that Step."

On behalf of Ms. Mahmoudi, Local 21, AFL-CIO filed a grievance against the City in July, 1996 asserting violation of Article III.3.G-Appointment Above Entrance Rate of the MOU.

In his July 22, 1998 memorandum, Mr. Rothman stated "Ms. Mahmoudi inquired regarding the status of the request (to be appointed at a higher step when she was

first hired by the Department of Transportation) shortly after she was hired and was provided with inaccurate information by a former supervisor that resulted in her belief that an adjustment to her salary step was no longer possible. However, Ms. Mahmoudi raised the issue again a year later when she became aware that two new hires in the 5202 class were advised that they could be eligible for an appointment above the entrance rate. As a consequence, Ms. Mahmoudi inquired as to the misinformation given to her and again requested her appointment retroactively to the higher step. The Department then submitted a request to the Department of Human Resources, now two years later, for the step 5 appointment."

However, Mr. Rothman stated in his memorandum, "Requests for appointment above the entrance rate in order to be considered must be received either prior to appointment or at least within the same fiscal year of appointment. Therefore, the request was untimely and was denied by the Department of Human Resources."

However, at this time the Department of Human Resources is recommending approval of this subject settlement to grant Ms. Mahmoudi a settlement of \$16,826.50 because, as Mr. Rothman states in his memorandum, "In view of the facts and circumstances provided by Ms. Mahmoudi and by the union, the Department of Human Resources is recommending approval of this settlement."

Comments:

1. The Budget Analyst has found that the original calculation of \$16,826.50, as determined by the Department of Transportation, is in error and that the correct amount is \$13,936.79. The Department of Human Resources and the Department of Transportation are in agreement.

2. Ms. Vicki Clayton of the City Attorney's Office advises that if the Board of Supervisors does not approve the proposed ordinance, the dispute, would be decided by an arbitrator.

3. According to Ms. Alice Villagomez of DHR, as of the writing of this report, the employee and the union are still reviewing the Budget Analyst's revised calculation of the settlement amount but have not yet reached agreement with DHR. As such, DHR and the union representatives request that this item be continued to the August 12, 1998 meeting of the Finance Committee.

Recommendation: As requested by DHR and the union representatives, continue this item to the August 12, 1998 Finance Committee meeting.

Item 4 - File 98-1120

Note: This item was continued by the Finance Committee at its meeting of July 22, 1998.

Department: Department of Human Resources (DHR)
Department of Public Works (DPW)

Item: Ordinance authorizing the settlement of a pay grievance of Mr. Mark Dorian, filed against the City pursuant to the Memoranda of Understanding (MOU) between the International Federation of Professional and Technical Engineers, Local 21, AFL-CIO, in the amount of \$18,000.

Description: The proposed ordinance would approve a settlement against the City in the amount of \$18,000 for a grievance filed on behalf of Mr. Mark Dorian by the International Federation of Professional and Technical Engineers, Local 21, AFL-CIO.

According to Mr. James Horan, of the Department of Public Works (DPW), Mr. Dorian is a permanent full time 5270 Senior Architect. However, Mr. Dorian was assigned by the DPW to the position of 5504 Project Manager II on June 6, 1988 and worked as a Project Manager from June 6, 1988 until May 31, 1996.

On December 4, 1995, the AFL-CIO, Local 21 issued an arbitration award with the City pursuant to Article IIIA, Section 2 (a), paragraph 116 of the FY 1993-94 MOU between the City and the Professional and Technical Engineers, Local 21. This arbitrated agreement increased the salaries for the 5270 Senior Architect classification for the period of July 1, 1993 through June 30, 1997. For FY 1993-94, this resulted in an annual salary increase of \$5,690, from \$74,698 to \$80,388 at the top step. For FY 1993-94, the annual salary for a 5504 Project Manager II was \$74,385.

On June 14, 1996, Mr. Dorian requested that he be reinstated to his permanent class, of 5270 Senior Architect, retroactive to July 1, 1993 because the annual salary as a 5270 Senior Architect of \$80,388 in FY 1993-94 was \$6,003 higher than the annual salary of a Project Manager II of \$74,385 in FY 1993-94. DPW reinstated Mr. Dorian to a 5270 Senior Architect and resumed Mr.

BOARD OF SUPERVISORS
BUDGET ANALYST

Dorian's pay at the 5270 Senior Architect level as of June 1, 1996.

Subsequently, according to Ms. Lucy Palileo of DPW, on September 27, 1996 DPW submitted a Problem Description Form, on behalf of Mr. Dorian, to the Payroll/Personnel Services Division (PPSD), of the Controller's Office, requesting retroactive pay for Mr. Dorian for the period of July 1, 1993 through May 31, 1996, pursuant to the arbitrated agreement, because DPW stated that Mr. Dorian was still classified as a 5270 Senior Architect, while assigned to and performing the duties of a Project Manager II, during this period of time. The Controller's PPSP denied the retroactive pay for Mr. Dorian based on the Department of Human Resource's recommendation.

Attachment I is a memorandum, dated June 25, 1997 from DHR to DPW explaining why the retroactive pay request was denied to Mr. Dorian. There are two ways for the Department to hire a Project Manager: (1) an employee can be appointed Temporary Exempt to the Project Manager classification, in which case, the employee is unrepresented since Project Managers are not presently represented by a union, or (2) an employee can be assigned to the position of Project Manager and remain represented by the union (Local 21) that represents the employees permanent position. According to the DHR memorandum, DHR denied Mr. Dorian's request stating, "Based on verification provided by the department that Mr. Dorian was appointed Temporary Exempt to Class 5504 Project Manager II, performing the duties and responsibilities of a project manager beginning in 1988 through June of 1996, and the fact that he continued to receive the appropriate rate of pay of class 5504 Project Manager II during that period of time, the Employee Relations Division can only conclude that Mr. Dorian is not entitled to the Architects Arbitrator's Award which affects covered Architect classes represented by IFPTE, Local 21. Project Manager Classifications' rates of pay and benefits are governed by the Unrepresented Employees Ordinance."

Subsequently, Mr. Dorian filed a grievance to receive a salary adjustment for the period July 1, 1993 through June 30, 1996 in the amount of \$18,277. The proposed ordinance would authorize a settlement in the amount of \$18,000 of this pay grievance for Mr. Dorian, or \$277 less than his request of \$18,277.

Comments:

1. Subsequent to the DHR memorandum of June 25, 1997 when DHR concluded that Mr. Dorian was "not entitled" to retroactive pay, Mr. Geoffrey Rothman, of DHR, states in his memorandum of July 22, 1998, as shown in Attachment II, " Given the apparent negative impact on the salary relationship between the Senior Architect and Project Manager rates of pay, and the need to have updated Mr. Dorian's pay records to correctly reflect his status as a permanent class 5270 Senior Architect receiving assignment pay as a project manager which would have otherwise deemed him eligible for the back pay pursuant to the December 4, 1995 award, the Department of Human Resources is recommending this settlement on behalf of the Department of Public Works."

2. Ms. Vicki Clayton of the City Attorney's Office advises that if the Board of Supervisors does not approve the proposed ordinance, it is likely that the dispute would be decided by an arbitrator.

Recommendation:

Approval of the proposed ordinance is a policy decision for the Board of Supervisors.

City and County of San Francisco



Department of Human Resources

ANDREA R. GOURDINE
HUMAN RESOURCES DIRECTOR

June 25, 1997

Mr. James P. Horan
Senior Departmental Personnel Officer
Department of Public Works
875 Stevenson Street, Suite 470
San Francisco, CA 94103

RE: MARK DORIAN - 5270 Senior Architect / 5504 Project Manager II

Dear Mr. Horan:

This is in response to your request for interpretation and clarification regarding the denial of the terms of the Arbitrator's Award dated December 4, 1995 regarding the compensation of Architects as it applies to the appointment history of Mark Dorian. Staff has concluded that Mr. Dorian is not covered by this award and is not entitled to retroactive payment (7/1/93 thru 5/31/96) in the amount of approximately \$18,000.00. The determination is based on the following facts:

Staff reviewed and analyzed the employment and appointment history of Mark Dorian from June 1983 through the present time. Mr. Dorian was appointed Temporary Exempt to class 5504 Project Manager II while on leave of absence from his Permanent class 5270 Senior Architect in June of 1988. The position of a project manager requires managing one or more large complex capital projects through the integration of several engineering disciplines, multi-year planning and financial management skills.

Staff has determined that Mr. Dorian was compensated at the appropriate rate of pay for performing project management duties at the level of 5504 Project Manager II in accordance with the Unrepresented Employees Ordinance and in accordance with the Pay Calculation Instruction: Project Manager Classification Series Memo issued by the Employee Relations Division, January 10, 1996. This memo clarified the method and process by which wages are calculated for employees in the Project Management Classification series. Therefore, Mr. Dorian is not entitled to benefit from the Architects Arbitrator's Award since his duties and responsibilities as well as his compensation for such were those of class 5504 Project Manager II, not 5270 Senior Architect.

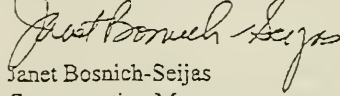
Based on verification provided by the department that Mr. Dorian was appointed Temporary Exempt to Class 5504 Project Manager II, performing the duties and responsibilities of a project manager beginning in 1988 through June of 1996, and the fact that he continued to receive the appropriate rate of pay of class 5504 Project Manager II during that period of time, the Employee Relations Division can only conclude that Mr. Dorian is not entitled to the

Letter to James P. Horan
June 25, 1997
Page 2 of 2

Architects Arbitrator's Award which affects covered Architect classes represented by IFPTE, Local 21. Project Manager Classifications' rates of pay and benefits are governed by the Unrepresented Employees Ordinance.

If you have any questions, concerns or need further guidance regarding this matter please contact the Compensation Unit at 557-4990.

Very truly yours,



Janet Bosnich-Seijas
Compensation Manager
Employee Relations Division

JBS/CVD/vd

c: Tammy Wong, Senior Personnel Analyst, DPW
Bette Thomas, Principal Personnel Analyst, DHR-OPS/Team3
PPSD/Controller's Office
File

City and County of San Francisco



Department of Human Resources

ANDREA R. GOURDINE
HUMAN RESOURCES DIRECTOR

July 22, 1998

To: Harvey Rose
Board of Supervisors' Budget AnalystFrom: Geoffrey Rothman *GR*
Employee Relations DirectorRe: Mark Dorian Settlement
File No. 98-1120

Mark Dorian, a permanent class 5270 Senior Architect accepted a position as a class 5504 Project Manager on June 6, 1988. Under the provisions of the MOU between the City and IFPTE, Local 21, permanent employees in represented classes can be assigned to project manager positions and continue to be covered under the provisions of the MOU. Acceptance of a project manager assignment/appointment generally represents an increase in pay.

The 1993-94 and 1994-95 MOUs between the City and Local 21 contained a provision to address a dispute over the union's proposal to grant wage parity between the architect and engineering classifications. The MOUs further provided for any disputes over wage adjustments to be decided by an arbitrator. The matter was heard and a decision rendered in December, 1995 awarding wage parity for the architects retroactive to July 1, 1993.

In October, 1996, the Department of Public Works, on behalf of Mr. Dorian, submitted a request to the Department of Human Resources to retroactively remove Mr. Dorian from his project manager position. The Department of Human Resources denied this request.

Based on the payroll records that reflected Mr. Dorian's status to be that of a Class 5504 Project Manager, the Department of Human Resources confirmed its denial by letter of June 25, 1997.

As a consequence of this denial, the union filed a grievance on behalf of Mr. Dorian claiming that he was due the back pay granted to other architects.

Given the apparent negative impact on the salary relationship between the Senior Architect and Project Manager rates of pay, and the need to have updated Mr. Dorian's pay records to correctly reflect his status as a permanent class 5270 Senior Architect receiving assignment pay as a project manager which would have otherwise deemed him eligible for the back pay pursuant to the December 4, 1995 award, the Department of Human Resources is recommending this settlement on behalf of the Department of Public Works.

cc: Jim Horan

Item 5 - File 98-59

Department: Police Department

Item: Resolution authorizing a \$1 fee to be paid at the time of vehicle registration, renewal, or supplemental application for apportioned registration, for vehicles registered to owners with a San Francisco address. Such fees collected are to be used exclusively to fund Police programs related to fingerprint identification of persons committing crimes while operating motor vehicles.

Description: Section 9250.19 of the State Vehicle Code, added in January of 1998, authorizes County Boards of Supervisors, by resolution, to impose a fee of \$1 to be paid at time of registration, renewal, or supplemental application for apportioned registration¹ pursuant to Article 4 of Chapter 4 on every vehicle registered to an address within the county, except those expressly exempted from payment of registration, such as government agency-owned vehicles. The fees collected under this provision can be expended only to fund programs which enhance the capacity of local law enforcement agencies to provide automated mobile and fixed location fingerprint identification² of individuals involved in crimes committed while operating a motor vehicle.

According to Inspector Michael Gaynor of the Crime Scene Investigations Unit, the Police Department, in conjunction with the Sheriff's Department, operates an automated fingerprint identification system and desires to enhance and expand the system as follows: (1) upgrade the existing Automated Fingerprint Identification System (AFIS); (2) place fingerprinting scanners in the San Francisco Unified School District Office and public agencies throughout the City for purposes of criminal history background checks

¹ Apportioned registration is the registration of commercial vehicles in California which are used in part to travel to jurisdictions outside the State. Fees are collected in California and remitted to states on the basis of miles traveled within each of those states.

² Automated mobile and fixed location fingerprint identification allows police officers to identify individuals with fingerprint machines at various locations throughout the City or in the field with hand held fingerprint identification devices.

involving employment; and (3) provide officers in the field with hand held fingerprint identification devices. The Police Department desires to fund such enhancements and expansion using funds which would be received by this proposed subject \$1 fee and any additional funds needed for the enhancements and expansion would be paid for by the current balance and monies deposited annually in the Police Department's Automated Fingerprint Identification Fund (AFIF), included in Administrative Code Section 10.117-108, in accordance with Ordinance 104-91 approved by the Board of Supervisors in March of 1991. According to Officer Thomas Strong of the Police Department, the monies deposited to the AFIF are from fines, penalties, and forfeitures imposed and collected by the courts for criminal offenses.

According to the proposed legislation, "this fee shall be in effect until January 1, 2003, unless a later enacted statute deletes or extends this date."

Comments:

1. According to the State Department of Motor Vehicles, as of December 31, 1997, 418,510 vehicles are registered annually to owners with a San Francisco address. Therefore, approval of this proposed resolution would result in increased annual revenues of an estimated \$418,510 in registration fees which would be used by the Police Department for the enhancement and expansion of the fingerprint identification system.
2. Attachment I provided by Inspector Gaynor describes the proposed enhancements and expansion of the Police Department's fingerprint identification system.
3. According to Inspector Gaynor, the estimated effective date, authorizing the \$1 fee to be collected, is January of 1999. As previously noted, the fee would be in effect until January 1, 2003, unless deleted or extended by subsequent legislation. However, Inspector Gaynor states that the Police Department will apply for a grant of \$418,510 from the State Department of Motor Vehicles, to replace fees not collected in FY 1998-99. Attachment II provided by Inspector Gaynor is a preliminary five-year budget for expending \$7,567,000,

BOARD OF SUPERVISORS
BUDGET ANALYST

to enhance and expand the Police Department's Automated Fingerprint Identification System. Revenue to support such expenditures would include a total of \$2,092,550 in new fee revenue if this legislation is approved (an estimated \$418,510 in fees each year for four years and \$418,510 in one-time only grant funds) and \$5,474,450 from the Automated Fingerprint Identification Fund (AFIF) - Fund Balance and regular revenues accruing to the Automated Fingerprint Identification Fund over the five year budget period.

4. Officer Strong reports that the Police Department intends to use the existing Automated Fingerprint Identification Fund as the depository for the fees collected under this proposed legislation. In accordance with Administrative Code Section 10.117-108, the expenditures of monies from this Fund are subject to appropriation approval by the Board of Supervisors.

5. According to Mr. Harold Guetersloh of the Controller's Office, the current unappropriated AFIF Fund Balance is \$4,300,000. Regular annual revenues to the AFIF are approximately \$950,000 in an average year, while operating expenditures (for AFIS maintenance, materials and supplies, training and routine equipment replacement) are currently \$507,000 in FY 1998-99. The Budget Analyst estimates that, if the proposed new \$1 fee is approved, the AFIF would be able to fund existing operating expenditures, the \$7,567,000 AFIS upgrade and retain a Fund Balance of approximately \$825,000 at the end of the five year period beginning with Fiscal Year 1998-99 and ending Fiscal Year 2002-2003. Without the proposed fee increase, the AFIF would only support a maximum of approximately \$6,000,000 in AFIS upgrade expenditures and would fully deplete its current Fund Balance within four Fiscal Years.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Budget Details

Fiscal Year 1998/1999

In this fiscal year the projected revenue is: \$418,000, minus administrative costs which are projected to be \$19,000. This revenue would be for the calendar year of 1998, from which the money would be acquired from the State transportation fund. For the first half of the calendar year of 1999, the projected revenue would be \$200,000. The anticipated areas of expenditure of these funds are as follows:

- A. \$250,000 would be used to purchase equipment and set up the applicant fingerprinting program. The cost of the live scan machines for fingerprinting, the store and forward, printers, the network equipment, and the network installation would be \$240,000. The cost of software development and installation so the applicant program can be monitored will be \$10,000.
- B. The remaining amount of SB720 funds will be used to partially pay for the \$2.3 million dollar upgrade to the fingerprint computer system (AFIS) which is scheduled to be installed by June, 1999. This upgrade will improve the accuracy of the system and increase the identification rate. The balance of the upgrade will be funded by the Automated Fingerprint Identification Fund.

Fiscal Year 1999/2000

The projected revenue for this year will be \$418,000. The anticipated areas of expenditure of these funds are as follows:

- A. There is a planned purchase of 30 RAPID (Remote Access Positive ID) devices in this fiscal year. These are mobile fingerprint identification devices which will be used in the field by officers. The cost of this equipment purchase will be \$1,140,000. The entire \$418,000 will be used to assist in funding this purchase while the balance will come from the Automated Fingerprint Identification Fund.
- B. The Automated Fingerprint Identification will be used to fund an archive system at a cost of \$300,000.

Fiscal Year 2000/2001

The projected revenue for this year will be \$418,000. The anticipated areas of expenditure of these funds are as follows:

- A. I am projecting that an additional live scan machine will be needed for the applicant program along with printer at a cost of \$75,000.
- B. Twenty-five more RAPID devices will be purchased this year at a cost of \$400,000. The remaining balance would be funded by the Automated Fingerprint Identification Fund.
- C. The Automated Fingerprint Identification Fund will fund an expansion to the archive system at a cost of \$500,000.

Fiscal Year 2001/2002

The projected revenue for this year will be \$418,000. The anticipated areas of expenditure of these funds are as follows:

- A. Another 35 RAPID units will be purchased at an anticipated cost of \$1,200,000. The remaining balance will be funded by the Automated Fingerprint Identification Fund.

Fiscal Year 2002/2003

The projected revenue for this year will be \$418,000. The anticipated areas of expenditure of these funds are as follows:

- A. Three more live scan machines will be purchased with printers. The anticipated cost will be \$225,000.
- B. Ten RAPID units will be purchased at a cost of \$150,000.
- C. A palm print computer system for identification of palm prints from crime scenes will be purchased at an anticipated cost of \$1,000,000. The Automated Fingerprint Identification Fund will fund this entirely.

Please note that the costs for the RAPID units vary because some of the purchases require additional hardware, which are not required in each purchase. Additionally, the Automated Fingerprint Identification Fund is used to pay for other items such as maintenance on equipment, supplies for the equipment, fingerprint processing equipment and supplies, and network maintenance. I didn't list those costs, as they are too numerous. I listed the major purchases which are planned.

Budget Details

Attachment II

<i>Fiscal Year 1998/1999</i>			
Item	Cost of items	\$1 fees distribution	Balance funded by Automated Fingerprint ID Fund (AFIS)
State DMV Admin cost	\$ 19,000.00	\$ 19,000.00	
Live Scan machines equipment and installation	\$ 250,000.00	\$ 250,000.00	
AFIS Upgraded	\$ 2,300,000.00	\$ 149,510.00	\$ 2,150,490.00
Subtotal (1998/1999)	\$ 2,569,000.00	\$ 418,510.00	\$ 2,150,490.00
<i>Fiscal Year 1999/2000</i>			
Items	Cost of items	\$1 fees distribution	Balance funded by Automated Fingerprint ID Fund (AFIS)
Admin Cost	\$ 2,000.00	\$ 2,000.00	
30 - Remote Access Positive ID Devices (RAPID)	\$ 1,140,000.00	\$ 416,510.00	\$ 723,490.00
AFIS - Archive system	\$ 300,000.00		\$ 300,000.00
Subtotal (1999/2000)	\$ 1,442,000.00	\$ 418,510.00	\$ 1,023,490.00
<i>Fiscal Year 2000/2001</i>			
Items	Cost of items	\$1 fees distribution	Balance funded by Automated Fingerprint ID Fund (AFIS)
Admin cost	\$ 2,000.00	\$ 2,000.00	
Live Scan Machine w/Printer	\$ 75,000.00	\$ 75,000.00	
25 - Remote Access Positive ID (RAPID)	\$ 400,000.00	\$ 341,510.00	\$ 58,490.00
AFIS - Archive system	\$ 500,000.00		\$ 500,000.00
Subtotal (2000/2001)	\$ 977,000.00	\$ 418,510.00	\$ 558,490.00
<i>Fiscal Year 2001/2002</i>			
Items	Cost of items	\$1 fees distribution	Balance funded by Automated Fingerprint ID Fund (AFIS)
Admin cost	\$ 2,000.00	\$ 2,000.00	
35 - Remote Access Positive ID (RAPID)	\$ 1,200,000.00	\$ 416,510.00	\$ 783,490.00
Subtotal (2001/2002)	\$ 1,202,000.00	\$ 418,510.00	\$ 783,490.00
<i>Fiscal Year 2002/2003</i>			
Items	Cost of items	\$1 fees distribution	Balance funded by Automated Fingerprint ID Fund (AFIS)
Admin cost	\$ 2,000.00	\$ 2,000.00	
Live Scan Machine w/Printer	\$ 225,000.00	\$ 225,000.00	
10 - Remote Access Positive ID (RAPID)	\$ 150,000.00	\$ 150,000.00	
Palm print computer system	\$ 1,000,000.00	\$ 41,510.00	\$ 958,490.00
Subtotal (2002/2003)	\$ 1,377,000.00	\$ 418,510.00	\$ 958,490.00
Grandtotal	\$ 7,567,000.00	\$ 2,092,550.00	\$ 5,474,450.00

Item 6 - File 98-1254

Department: Public Utilities Commission (PUC)
Water Department

Item: Resolution authorizing the PUC to prepare and solicit invitations to bid and/or hold a public auction for the sale of the Bernal Property located in Alameda County, subject to the subsequent review and approval by the Board of Supervisors, by resolution, and Mayor, of any final sale of the property.

Description: The "Bernal Property" is approximately 510 acres of unimproved land, owned by the Water Department. The property is located primarily in an unincorporated area of Alameda County, immediately adjacent to the City of Pleasanton. Approval of the proposed resolution would direct and authorize the General Manager of the PUC to solicit Invitations to Bid and/or hold a public auction for the sale of the Bernal Property to the highest responsible bidder. Actual sale of the property would be subject to separate approval of the Board of Supervisors, by resolution.

Mr. Rick Nelson, the PUC's Project Manager for the Bernal Property, advises that the PUC has been working with Alameda County since 1988 and the City of Pleasanton since 1994 to obtain development rights (known as "land use entitlements") to build a mixed-use development on the Bernal Property. The City could then either sell the property outright or partner with a private developer and share in the risk and profits.

Mr. Nelson reports that the planned mixed-use development currently being negotiated by the City of Pleasanton would consist of up to 1,900 residential housing units and 750,000 square feet of commercial space which would be annexed into the City of Pleasanton if all the contemplated development approvals are obtained. In all, according to Mr. Nelson, of the 510 total acres, approximately half would be developed and half would be devoted to roadways, a golf course, public parks and other public/open space uses. According to Mr. Nelson, the PUC has secured all the necessary approvals for the development of the Bernal Property from Alameda

BOARD OF SUPERVISORS
BUDGET ANALYST

County. However, the City has not yet reached final agreement with the City of Pleasanton, according to Mr. Nelson.

The proposed resolution would authorize the PUC several different options for the sale of the property, to issue an Invitation to Bid, hold a public auction, or, if necessary, hold a public auction subsequent to issuing an Invitation to Bid. Mr. Nelson advises that the PUC plans to issue an Invitation to Bid in late August containing two separate options for interested developers to bid on: (1) to purchase the Bernal Property "as-is," without full land use entitlements from the City of Pleasanton in place, leaving the developer to negotiate the additional entitlements with the City of Pleasanton or (2) to purchase the property with the full land use entitlements to develop the property, which are currently being negotiated between the City of San Francisco and the City of Pleasanton.

According to Mr. Nelson, providing developers with two bid options will allow the City to test the market and obtain the highest price by either selling the property as-is or selling the property after San Francisco has received the full land use entitlements from the City of Pleasanton. According to Mr. Charles Sullivan of the City Attorney's Office, the idea behind this approach is that some developers may wish to negotiate a slightly different development agreement with Alameda County and the City of Pleasanton and thus may be more interested in purchasing the property without the land use entitlements which San Francisco is presently negotiating to obtain.

Mr. Nelson advises that the PUC has made no policy decisions at this time as to whether or not the City should sell the property. Mr. Nelson reports that if the bids received for the Bernal Property are unsatisfactory, the City may elect not to sell the property and instead pursue other options, such as partnering with a private developer. In any event, the sale of the property would be subject to subsequent approval by the Board of Supervisors by resolution.

AUG 04 1998

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Item 6 - File 98-1254

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Water Department

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Description: The "Bernal Property" is approximately 510 acres of unimproved land, owned by the Water Department. The property is located primarily in an unincorporated area of Alameda County, immediately adjacent to the City of Pleasanton. Approval of the proposed resolution would direct and authorize the General Manager of the PUC to solicit Invitations to Bid and/or hold a public auction for the sale of the Bernal Property to the highest responsible bidder. Actual sale of the property would be subject to separate approval of the Board of Supervisors, by resolution.

Mr. Rick Nelson, the PUC's Project Manager for the Bernal Property, advises that the PUC has been working with Alameda County since 1994 and the City of Pleasanton since 1988 to obtain development rights (known as "land use entitlements") to build a mixed-use development on the Bernal Property. The City could then either sell the property outright or partner with a private developer and share in the risk and profits.

Mr. Nelson reports that the planned mixed-use development currently being negotiated by the City of Pleasanton would consist of up to 1,900 residential housing units and 750,000 square feet of commercial space which would be annexed into the City of Pleasanton if all the contemplated development approvals are obtained. In all, according to Mr. Nelson, of the 510 total acres, approximately half would be developed and half would be devoted to roadways, a golf course, public parks and other public/open space uses. According to Mr. Nelson, the PUC has secured all the necessary approvals for the development of the Bernal Property from Alameda

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The proposed resolution would authorize the PUC several different options for the sale of the property, to issue an Invitation to Bid, hold a public auction, or, if necessary, hold a public auction subsequent to issuing an Invitation to Bid. Mr. Nelson advises that the PUC plans to issue an Invitation to Bid in late August containing two separate options for interested developers to bid on: (1) to purchase the Bernal Property "as-is," without full land use entitlements from the City of Pleasanton in place, leaving the developer to negotiate the additional entitlements with the City of Pleasanton or (2) to purchase the property with the full land use entitlements to develop the property, which are currently being negotiated between the City of San Francisco and the City of Pleasanton.

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Mr. Nelson advises that the PUC has made no policy decisions at this time as to whether or not the City should sell the property. Mr. Nelson reports that if the bids received for the Bernal Property are unsatisfactory, the City may elect not to sell the property and instead pursue other options, such as partnering with a private developer. In any event, the sale of the property would be subject to subsequent approval by the Board of Supervisors by resolution.

Comments:

1. Under Section 23.1 of the Administrative Code, the Director of Property is responsible for the sale of any City property and assumes jurisdiction over such property, at the recommendation of the department responsible for the administration of the property and the approval of the Board of Supervisors. However, Mr. Nelson advises that due to the unique nature of the Bernal Property, the complicated issues involved in a sale of the property, and the continuing work to seek certain land use entitlements from the City of Pleasanton, the proposed resolution would authorize the General Manager of the PUC to solicit invitations to bid and/or hold a public auction for the sale of the property, with the PUC, instead of the Director of Real Estate, continuing to have jurisdiction over the property.

2. According to the proposed resolution, the City cannot enter into or be bound into any agreement to sell the Bernal Property until any and all environmental review required by CEQA is completed and all required City approvals based on such environmental review and public review have been obtained. Since the proposed resolution authorizes only an Invitation to Bid and/or public auction of the property, Mr. Sullivan advises that the passage of the subject resolution does not require environmental review under the California Environmental Quality Act (CEQA).

3. In a June 1994 management audit report of the Water Department, the Budget Analyst reported with regard to the subject property that the real estate development project was "...estimated to have a long term net revenue benefit to the City of \$319 million." However, Mr. Nelson cautions that this estimate was based upon a financial subconsultant's report which rested on a number of specific assumptions that may no longer be applicable and may or may not have any relevance to today's market.

Mr. Jim Musbach of Economic Planning Systems (EPS), the financial subconsultant that provided the report upon which the estimate was based, states that the \$319 million did not reflect the market value of the property, but rather the total amount of a long-term revenue stream to the City if it were to act as the sole developer of

BOARD OF SUPERVISORS
BUDGET ANALYST

the property. In addition, Mr. Musbach reports that the estimate did not include an adjustment to reflect the additional risks associated with the City acting as a developer or any possible profit-sharing requirement if the City were to enter into a joint venture for the development. Finally, according to Mr. Musbach, the estimate was based upon a conceptual project which is much different from the project currently under consideration. According to Mr. Musbach, differences include the number and mix of units, the rate of development, and the infrastructure and construction costs and requirements.

Mr. Nelson advises that a more current appraisal of the potential value of the Bernal Property is not available at this time.

Recommendation: Approve the proposed resolution.

Item 7 - File 98-664

Note: The Department of Elections advises that an Amendment of the Whole of the proposed ordinance will be introduced at the August 5, 1998 Finance Committee meeting. This report is based on the Amendment of the Whole.

Department: Department of Elections

Item: Ordinance amending the San Francisco Municipal Elections Code to amend Sections 830 and 840 to: 1) reduce the fee for publication of ballot arguments in the Voter Information Pamphlet from \$200 plus \$3.00 per word to \$200 plus \$2.00 per word; and 2) increase the value of signatures submitted in lieu of fees from \$0.25 per signature to \$0.50 per signature.

Description: In November of 1997, the Board of Supervisors adopted a consolidated Municipal Elections Code as required by the 1996 City Charter.¹ Two sections of the Municipal Elections Code cover the fees charged to place ballot arguments in the Voter Information Pamphlet, which each registered voter receives prior to City elections: 1) Section 830 increased the fee to publish a paid² argument from \$200 and \$2 per word to \$200 and \$3 per word; and 2) Section 840 decreased the value of signatures submitted to the Department of Elections in lieu of the payment of fees from \$0.50 to \$0.25. According to Ms. Naomi Nishioka of the Department of Elections, each valid signature collected by ballot argument proponents reduces the fee by \$0.25. If a ballot argument proponent collects enough signatures, the fee can be eliminated entirely. For example, the cost to submit a 100-word ballot argument is currently \$500, or \$200 plus \$3 per word for 100 words. If a ballot argument proponent collected 2,000 signatures, the fee would be reduced by \$500, or \$0.25 per signature for 2,000 signatures, and thereby eliminated.

¹ Prior to June of 1996, rules and procedures for municipal elections were contained in certain sections of both the pre-1996 City Charter and the Administrative Code.

² Official proponents and opponents of ballot measures do not have to pay for their arguments in the Voter Information Pamphlet.

The above-noted fee increases in these two Sections of the Municipal Elections Code took effect on January 1, 1998, and were implemented in the June, 1998 election.

According to Ms. Nishioka, several members of the public objected to these fee increases. In response to these objections, the sponsor of the ordinance has proposed that the existing fees be reduced, resulting in a decrease for ballot arguments from \$200 and \$3 per word to \$200 and \$2 per word. This ordinance would also increase the value of the signatures submitted to the Department of Elections in lieu of the payment of fees from \$0.25 per signature to \$0.50 per signature. This change in the value of signatures would also have the effect of reducing the fees collected by the Department for ballot arguments in the Voter Information Pamphlet. Based on these fee reductions, a ballot argument proponent could submit a 150-word ballot argument at a cost of \$500, or \$200 plus \$2 per word for 150 words. To eliminate this \$500 fee, a ballot argument proponent would need to collect 1,000 signatures at \$0.50 per signature.

Comments:

1. The FY 1998-99 budget for the Department of Elections is \$2,856,565. This total Departmental budget includes \$325,800 for the November, 1998 Voter Information Pamphlet, according to Mr. Art Pose of the Department of Elections.

The Department's FY 1998-99 budget is funded by the following revenue sources:

<u>Type</u>	<u>Amount</u>
General Fund Support	\$2,498,255
Departmental Revenue	321,645
Interdepartmental Recoveries	<u>36,665</u>
 TOTAL	 \$2,856,565

According to Mr. Pose, the Department's budget includes \$31,620 in fee revenue for ballot arguments in the Voter Information Pamphlet for the November, 1998 election, which is the only election scheduled for FY 1998-99.

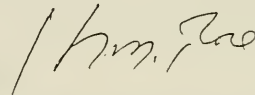
2. The Amendment of the Whole indicates that the proposed fee reductions will take effect on January 1, 1999. The existing, higher fees will therefore remain in effect for the November, 1998 election. Since this is the only election

August 5, 1998 Finance Committee Meeting

scheduled for FY 1998-99, there will be no reduction in estimated fee revenues during FY 1998-99.

3. Based on the January 1, 1999 effective date of the proposed ordinance, the first election affected by the fee reductions would be the November, 1999 election. The fiscal impact of the proposed fee reductions on the Department's budget for FY 1999-2000 and in future years would depend on the number of elections that are held and the number of ballot arguments and the related number of words contained in the Voter Information Pamphlet for each election. As an example of the potential fiscal impact of the proposed fee reductions, Ms. Nishioka reports that if the lower fees had been in effect during the June 2, 1998 election, the Department would have collected \$106,753, or approximately \$18,000 less in fee revenues than the \$124,753 actually collected based on the existing, higher fees.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.



Harvey M. Rose

cc: Supervisor Teng
President Kaufman
Supervisor Newsom
Supervisor Ammiano
Supervisor Bierman
Supervisor Brown
Supervisor Katz
Supervisor Leno
Supervisor Medina
Supervisor Yaki
Supervisor Yee
Clerk of the Board
Controller
Gail Feldman
Matthew Hymel
Stephen Kawa
Ted Lakey

BOARD OF SUPERVISORS
BUDGET ANALYST

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AUG 13 1998

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FINANCE COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO
REGULAR MEETING

Action
Taken

WEDNESDAY, AUGUST 12, 1998 - 1:00 P.M.

VETERANS BUILDING
401 VAN NESS AVENUE
ROOM 410

MEMBERS: SUPERVISORS MABEL TENG, BARBARA KAUFMAN, GAVIN NEWSOM

CLERK: JONI BLANCHARD

ABSENT: Supervisor Teng for entire meeting.

Meeting Commenced: 1:00 p.m.

REGULAR CALENDAR

1. File 98-1251. [Zoo General Obligation Bond Issuance] Resolution providing for the issuance of not to exceed \$48,000,000 aggregate principal amount of City and County of San Francisco General Obligation Bonds (Zoo Facilities Bonds, 1997), including the issuance of an initial series thereof in the aggregate principal amount of not to exceed \$11,000,000 and designated as the City and County of San Francisco General Obligation Bonds (Zoo Facilities Bonds, 1997), Series 1998D; authorizing the execution, authentication and registration of said Bonds; providing for the levy of a tax to pay the principal and interest thereof; providing for the appointment of depositories and other agent for said Bonds; providing for the establishment of accounts related thereto; ratifying certain actions previously taken; and granting general authority to City officials to take necessary actions in connection with the authorization, issuance, sale and delivery of said Bonds; companion measure to File 98-1952 (Also File 170-97-9). (Mayor)

SPEAKERS: Harvey Rose, Budget Analyst; David Anderson, S.F. Zoo Director - support.

ACTION: Hearing held. Recommended.

2. File 98-1252. [Zoo General Obligation Bond Sale] Resolution authorizing and directing the sale of not to exceed \$11,000,000 City and County of San Francisco General Obligation Bonds (Zoo Facilities Bonds, 1997), Series 1998D; prescribing the form and terms of said Bonds; authorizing the execution, authentication and registration of said Bonds; providing for the appointment of depositories and other agents for said Bonds; providing for the establishment of accounts related thereto; approving the forms of official notice of sale of Bonds and notice of intention to sell Bonds; directing the publication of official notice of sale and notice of intention to sell Bonds; approving the form and execution of the official statement relating thereto; approving the form of the continuing disclosure certificate; approving modification to documents; ratifying certain actions previously taken; and granting general authority to City officials to take necessary actions in connection with the authorization, issuance, sale and delivery of said Bonds; companion measure to File 98-1251. (Also see File 170-97-9). (Mayor)

SPEAKERS: Harvey Rose, Budget Analyst; David Anderson, S.F. Zoo Director - support.

ACTION: Hearing held. Recommended.

3. File 98-1291. [Appropriation, Recreation and Park Department] Ordinance appropriating \$1,000,000, Recreation and Park Department, of Culture and Recreation Special Fund Revenue balance for the dredging project - Marina Yacht Harbor, for fiscal year 1998-1999. RO #98010. (Mayor Willie L. Brown, Jr.)

SPEAKERS: Harvey Rose, Budget Analyst; Ernie Prindle, Recreation & Park Dept. - support; Michael Morlin, Recreation & Park Dept. - support.

ACTION: Hearing held. Amended on lines 1, 11, 15 and 17 to replace "\$1,000,000" with "\$426,800". (See new title). Recommended as amended.

New Title: [Appropriation, Recreation and Park Department] Ordinance appropriating \$426,800, Recreation and Park Department, of Culture and Recreation Special Fund Revenue balance for the dredging project - Marina Yacht Harbor, for fiscal year 1998-1999. RO #98010. (Mayor Willie L. Brown, Jr.)

4. File 98-1279. [Prop J Contract, Intake/Shelter Services] Resolution concurring with the Controller's certification that intake and shelter services to status offenders can be practically performed by private contractor for lower cost than similar work services performed by City and County employees. (Juvenile Probation Department)

SPEAKERS: Harvey Rose, Budget Analyst; Lonnie Holmes, Juvenile Probation Dept. - support.

ACTION: Hearing held. Amended on line 6 after "employees" and beginning on line 24 after "1998-99" to add "; effective retroactive to July 1, 1998.". (See new title). Recommended as amended.

New Title: [Prop J Contract, Intake/Shelter Services] Resolution concurring with the Controller's certification that intake and shelter services to status offenders can be practically performed by private contractor for lower cost than similar work services performed by City and County employees; retroactive to July 1, 1998. (Juvenile Probation Department)

5. File 98-1236. [Patient Day Rates, Fiscal Year 1998-99] Ordinance amending Health Code by amending Section 128, fixing patient rates for services furnished by City and County Healthcare institutions; authorizing retroactivity the effective date of July 1, 1998. (Department of Public Health)

SPEAKERS: Harvey Rose, Budget Analyst; Monique Zmuda, Dept. of Public Health - support.

ACTION: Hearing held. Recommended.

6. File 98-1160. [Waiver of Fees] Resolution waiving fees to be charged for crowd control and re-routing transit lines in connection with the Pink Saturday Party on June 27, 1998. (Supervisors Leno, Bierman, Katz, Ammiano)

SPEAKERS: Harvey Rose, Budget Analyst; Sister Kitty Catalyst - Sisters of Perpetual Indulgence - support.

ACTION: Hearing held. Recommended.

7. File 98-1159. [Recovery of Medical Costs] Resolution authorizing the Bureau of Delinquent Revenue to recover the cost of medical and dental care provided to persons injured by third parties under circumstances creating tort liability, as authorized by Government Code Sections 23004.1 through 23004.3, and giving the Bureau the authority to compromise, settle or waive claims in connection with such recovery. (Supervisor Kaufman)

SPEAKERS: Harvey Rose, Budget Analyst; Robert Fletcher, Treasurer/Tax Collector - support.

ACTION: Hearing held. Recommended.

VOTE ON ALL ITEMS WAS 2 - 0, WITH SUPERVISOR TENG ABSENT FOR ENTIRE MEETING.

Meeting Adjourned: 1:40 p.m.

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CITY AND COUNTY



OF SAN FRANCISCO

**BOARD OF SUPERVISORS
BUDGET ANALYST**

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

August 7, 1998

TO: Finance Committee

DOCUMENTS DEPT.

FROM: Budget Analyst *Recommended one for meeting of*

AUG 11 1998

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PUBLIC LIBRARY

SUBJECT: August 12, 1998 Finance Committee Meeting

Items 1 and 2 - Files 98-1251 and 98-1252

Department: Mayor's Office of Public Finance

Items: **Item 1, File 98-1251:** Resolution providing for the issuance of up to \$48,000,000 in City and County of San Francisco General Obligation Bonds (Zoo Facilities Bonds, 1997), including the issuance of an initial series of such bonds of up to \$11,000,000 (Series 1998D).

Item 2, File 98-1252: Resolution authorizing and directing the sale of up to \$11,000,000 in City and County of San Francisco General Obligation Bonds (Zoo Facilities Bonds, 1997) Series 1998D.

Description: In June of 1997, a total of \$48,000,000 in General Obligation bonds (Zoo Facilities Bonds, 1997) was approved by the electorate to provide funding for acquisition, construction and/or reconstruction of facilities at the San Francisco Zoo. Under provisions of the bond measure and in the terms of the agreement with the City, the Zoological Society, under the public/private partnership formed in 1993 to operate the Zoo, agreed to raise an additional \$25,000,000 in private funds for

capital improvements, for a total capital improvement program of \$73,000,000.

Item 1, File 98-1251, would provide for the issuance of up to \$48,000,000 in such General Obligation Bonds (Zoo Facilities Bonds, 1997), including the issuance of an initial series of up to \$11,000,000 (Series 1998D). Item 2, File 98-1252, would authorize and direct the sale of the Series 1998D bonds, in an amount of up to \$11,000,000.

The proceeds from the sale of \$11,000,000 in the proposed bond funds include an estimated \$10,900,00 for project costs and \$100,000 for bond issuance costs. Such funds would be supplemented with \$2,320,000 in private funds, to be raised by the Zoological Society, for a total project cost of \$13,220,000 under this initial bond sale. The Attachment to this report, provided by the Zoo, contains a budget for the following projects: (1) an Education Center, (2) an Animal Resource Center, (3) Zoo support facilities, (4) administrative offices, (5) a Public Art Program, and (6) repair and replacement of other Zoo buildings and exhibits.

The general provisions of the sale of the Series 1998D bonds (Item 2, File 98-1252), in the amount of up to \$11,000,000 for the San Francisco Zoo, are as follows:

- The sale of the bonds is tentatively scheduled to be held on October 7, 1998.
- The bonds would be sold at an interest rate not to exceed 12 percent per year and will reach final maturity in the year 2018, or 20 years.
- Bonds redeemed by the City after the call protection period (8 years) and prior to maturity would be subject to redemption prices incorporated in the proposed resolution.
- An official statement describing the bonds to be sold is incorporated in the proposed resolution for approval by the Board of Supervisors. The official statement would be available to all bidders for the bonds.

- Bonds will be awarded to the bidder whose bid represents the lowest true interest cost to the City, in accordance with the procedures described in the Notice of Sale.
- Bids will be received by the Clerk of the Board of Supervisors and awarded by the Finance Committee of the Board of Supervisors.

Comments:

1. As stated above, the annual interest rate of Series 1998D bonds could not exceed 12 percent. However, Ms. Laura Opsahl of the Mayor's Office of Public Finance reports that if the bonds are sold in October of 1998, the bonds would probably be sold with an overall effective interest rate of approximately 5.843 percent, and would have an average interest rate of 5.809 percent over the 20-year term of the bonds.
2. Ms. Opsahl estimates that with a 20-year term for the Series 1998D bonds, and an expected average interest rate of approximately 5.809 percent, the proposed sale of bonds in the total amount of \$11,000,000 would result in total interest costs of approximately \$7,996,452 and a total debt service requirement of approximately \$18,996,452 over the life of the bonds. Over the 20-year period, this would result in an average debt service requirement of approximately \$940,795 per year.
3. According to Mr. John Madden of the Controller's Office, the proposed Series 1998D bond sale in the amount of \$11,000,000 would result in an increase in the Property Tax rate of approximately \$0.0016. At that rate, the owner of a single family residence assessed at \$400,000 would pay \$6.33 in additional Property Taxes annually due to the issuance of these bonds.
4. The City has a legal debt limit of 3 percent of net assessed property value, as provided in Section 9.106 of the City's Charter. Under the legal debt limit, the City's General Obligation bonding capacity is \$1,917,000,000 for FY 1998-99. As of July 2, 1998, the amount of the City's outstanding General Obligation bonds was \$815,035,000. Consequently, the City's current available General Obligation bonding capacity under the 3 percent legal debt limit is approximately \$1,101,965,000 (\$1,917,000,000 in bonding capacity less \$815,035,000 in outstanding bonds).

5. Ms. Opsahl advises that the estimated bond issuance costs for the proposed Series 1998D bonds, including fees for bond counsel, financial advisors, and the services of the City Attorney's Office, is \$100,000.

6. All future expenditure appropriations from the sale proceeds of the Series 1998D bonds for the improvement projects, including the bond issuance costs, would be subject to separate appropriation approval by the Board of Supervisors.

Recommendation: Approve the proposed resolution.

August 7, 1998

REVISED

Ms. Laura Opsahl
Debt Administrator
Mayor's Office of Finance & Legislative Affairs
City & County of San Francisco
401 Van Ness Avenue, Suite 304
San Francisco, CA 94102

RE: Additional Data — Public Information Worksheet
Phase II Master Plan Project — San Francisco Zoological Society

Dear Ms. Opsahl:

As a follow-up to our submittal of the Public Information Worksheet for the Phase II Master Plan Project, we are providing additional information for the inception projects.

In our discussions, we agreed to describe our first two years of work (starting in 1998-1999) that will be funded by an initial \$11 million bond sale. The initial program elements that need funding are listed below.

Descriptions of each project are shown in Attachment N. As shown below, we have condensed the budget (previously submitted as Attachment I to the Public Information Worksheet) to show only the \$11 million budget of the incipient projects.

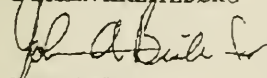
Name	Project Total	Bond Funds	Private Funds
1. Education Center	\$2,530,000	\$2,310,000	\$220,000
2. Animal Resource Center	\$2,330,000	\$1,920,000	\$410,000
3. Zoo Support Facilities	\$3,120,000	\$2,850,000	\$270,000
4. Administration Facilities	\$2,340,000	\$2,150,000	\$190,000
5. Public Art Program	\$800,000	\$800,000	—
6. Repair & Replacement Projects	<u>\$2,100,000</u>	<u>\$870,000</u>	<u>\$1,230,000</u>
	\$13,220,000	\$10,900,000	\$2,320,000

Additionally, as requested, we have included the recent reimbursement resolution item from the July 16th Parks & Recreation Commission Meeting as Attachment O.

Please call me at (415) 753-8195 if any further information is required.

Sincerely,

O'BRIEN KREITZBERG



Robert DeLiso
The New Zoo Team
Program Manager

THE SAN FRANCISCO ZOOLOGICAL SOCIETY
1 Zoo Road
San Francisco, CA 94332-1098
(415) 753-7080
Fax (415) 681-2039

File A3.2.2

Item 3 – File 98-1291

Department: Recreation and Park Department (RPD)

Item: Supplemental appropriation ordinance appropriating \$1,000,000 for the Marina Yacht Harbor Dredging Project for the Recreation and Park Department (RPD).

Amount: \$1,000,000

Source of Funds: Marina Yacht Harbor Special Revenue Unappropriated Fund Balance

Description: The Recreation and Park Department (RPD) operates and maintains a 700 berth marina, located on the City's waterfront between the Presidio and Fort Mason. The proposed supplemental appropriation ordinance would appropriate \$1,000,000 from the Marina Yacht Harbor Special Revenue Fund to fund the Marina Yacht Harbor Dredging Project.

The Marina Yacht Harbor Dredging Project involves the dredging of approximately 86,800 cubic yards of sediment at the Yacht Harbor and will take place in two phases. In the first phase, three priority areas or "episodes", consisting of 62,700 cubic yards in the main channel, will be dredged. The second phase will involve the dredging of two additional episodes, consisting of 24,100 cubic yards. The first phase is expected to commence on approximately August 31, 1998 and will be completed by September 16, 1998. The second phase will commence on approximately October 1, 1998 and will be completed by mid-October, 1998.

Mr. Wallis Lee of the Department of Public Works (DPW) advises that an Invitation for Bids (IFB) for this project was published in the *San Francisco Independent* on July 14, 1998, with a deadline to respond of July 29, 1998. Mr. Lee advises that no bids were submitted. According to Mr. George Wong of the City Attorney's Office, a department is permitted to negotiate directly with a qualified contractor when no bids have been submitted in response to an IFB, as long as the contractor's estimated cost does not exceed the DPW engineer's estimate. Mr.

Lee advises that the engineer's estimate for this project is \$13.00 per cubic yard, which would result in a total contract cost of \$1,128,400 (\$13.00 per cubic yard x 86,800 cubic yards).

Mr. Lee advises that DPW is currently in the process of negotiating a contract with Dutra Group, a dredging company with previous experience working with other Bay Area government agencies and in San Francisco's harbor. According to Mr. Lee, the contractor and DPW have agreed to a price of \$8.25 per cubic yard, for a total estimated contract cost of \$716,100 (\$8.25 per cubic yard x 86,800 cubic yards).

Budget:

Based in part on the engineer's estimate of \$13.00 per cubic yard, RPD had originally estimated that the total project cost for the Marina Yacht Harbor Dredging Project would be \$1,497,000. The source of funds for this project include \$497,000 in Marina Yacht Harbor Revenue Funds previously appropriated in the FY 1997-98 (\$397,000) and FY 1998-99 (\$100,000) budgets and this supplemental appropriation request of \$1,000,000 (see Comment No. 2).

Based on the above contractor's estimate of \$8.25 per cubic yard, the revised budget for this project is \$923,800, as shown in the Attachment provided by DPW.

Comments:

1. According to Ms. Peg Stevenson the Controller's Office, as of August 3, 1998, the Marina Yacht Harbor Special Revenue Fund had an unappropriated revenue balance of \$1,156,603. This fund consists primarily of berth and mooring fees and rental and concession revenue generated by the Yacht Harbor.

2. According to Ms. Deborah Learner of RPD, \$397,000 in Marina Yacht Harbor Revenue Funds budgeted for dredging the Yacht Harbor during FY 1997-98 were carried forward to FY 1998-99 because the Yacht Harbor was not dredged during FY 1997-98. RPD further advises that the subject request of \$1,000,000 was not included in its FY 1998-99 annual budget request because the project scope and cost had not been determined at the time that RPD submitted its budget request to the Mayor's Office.

BOARD OF SUPERVISORS
BUDGET ANALYST

3. Based on the revised budget of \$923,800 for the Marina Yacht Harbor Dredging Project and on the availability of \$497,000 in previously appropriated but unexpended funds, there is presently a need for \$426,800 in additional funds. Therefore, the proposed supplemental appropriation ordinance should be reduced by \$573,200, from \$1,000,000 to \$426,800, based on RPD's actual funding needs.

Recommendations:

1. Reduce the proposed supplemental appropriation ordinance by \$573,200, from \$1,000,000 to \$426,800, in accordance with Comment No. 3.
2. Approve the proposed supplemental appropriation ordinance as amended.

San Francisco Marina Maintenance Dredging Project
Summary of Construction Budget
Spec. No. 1072N

Construction Support	Total budget for each discipline
Construction Support-Hydraulics (Review shp submittals, req for info, site field work/investigation)	\$ 16,600.00
*Construction Support-BCM (Inspection, Contract/Consultant Admin)	\$ 95,000.00
ABT (Perform Sampling of Dredged Mat'l-Contract thru BCM)	\$ 9,000.00
Sea Surveyors/Baseline (Perform Pre & Post Survey-Contract thru BCM)	\$ 10,500.00
(1) Construction Support Total:	\$ 131,100.00

**Construction Estimate Including
Inner Basin: \$ 716,100.00

***Mobilization/Demobilization (2 times) \$ 50,000.00
Award to Contractor Cost
(Subtotal) \$ 766,100.00
10% Contingency \$ 76,610.00
Construction Cost \$ 792,710.00
(2) Say: \$ 792,700.00

(1) + (2) Total Project Cost for
Construction: \$ 923,800.00

- * BCM will be required for night time inspection because of the 24 hr dredging work.
- ** Construction estimate is based on negotiation w/ the Dutra Group to dredge 86,800 CY at \$3.25/CY.
- *** Cost for Mobilization/Demobilization is \$25,000 each time. Assume the Contractor will have to mobilize & demobilize twice

Item 4 – File 98-1279

Department: Juvenile Probation Department

Item: Resolution concurring with the Controller's certification that intake and shelter services to status offenders can continue to be practically performed by private contractor for lower cost than similar work services performed by the City and County employees.

Services to be Performed: Intake and Shelter to Status Offenders

Description: Charter Section 10.104 provides that the City may contract with private firms for services which had been performed by City employees if the Controller certifies, and the Board of Supervisors concurs, that such services can in fact be performed by private firms at a lower cost than similar work services performed by City employees.

The Controller has determined that contracting for intake and shelter services to status offenders for FY 1998-99 would result in estimated savings as follows:

	Lowest Salary <u>Step</u>	Highest Salary <u>Step</u>
<u>City Operated Service Costs</u>		
Salaries	\$762,660	\$948,317
Fringe Benefits	<u>212,220</u>	<u>241,406</u>
Total	\$974,880	\$1,189,723
 <u>Contractual Service Costs</u>	 <u>639,942</u>	 <u>660,805</u>
 <u>Estimated Savings</u>	 \$334,938	 \$528,918

Comments: 1. The Juvenile Probation Department reports that contractual services were first certified as required under Proposition J (Charter Section 10.104) in FY 1983-84 and have been continuously provided by an outside contractor since then.

2. Mr. Lonnie Holmes of the Juvenile Probation Department reports that the one-year contract with Huckleberry Youth Programs, Inc. expired on June 30, 1998. The Juvenile Probation Department plans to exercise its option to renew this contract for FY 1998-99 under a three-year contract agreement with Huckleberry Youth Programs, Inc. Mr. Holmes states that such contract agreement was last renewed in FY 1996-97. The proposed resolution should be amended to provide for retroactively.

3. The Contractual Services Cost used for the purpose of this analysis is the Huckleberry Youth Program, Inc.'s projected FY 1998-99 cost for Intake and Shelter Services. Additionally, the Controller's Office advises that the contractual services costs include one full time City position, an 8442 Senior Probation Officer, for contract monitoring.

4. The Controller's supplemental questionnaire with the Department's responses is shown in the Attachment to this report.

Recommendation: Amend the proposed resolution to provide for retroactively and approve the resolution as amended.

CHARTER 10.104.15 (PROPOSITION 3) QUESTIONNAIRE

DEPARTMENT: Juvenile Probation DepartmentCONTRACT SERVICES: Shelter and Intake Services for Status OffendersCONTRACT PERIOD: July 1, 1988 through June 30, 1989

- 1) Who performed the activity/service prior to contracting out?

Juvenile Hall Counselors:

3 - 8316 Assistant Counselors

7 - 8320 Counselors, Juvenile Hall

1 - 8318 Counselor II

- 2) How many City employees were laid off as a result of contracting out?

None. Eleven (11) positions were cut from the budget, but no permanent staff were laid off.

- 3) Explain the disposition of employees, if they were not laid off.

Permanent employees moved to positions in other parts of Juvenile Hall formerly filled by the Department's as needed cadre.

- 4) What percentage of City employees' time is spent on services to be contracted out?

50% of 1 - 8414 Supervising Probation Officer	100% of 2 - 8318 Counselor II
100% of 1 - 8442 Senior Probation Officer	100% of 1 - 8320 Counselor
100% of 3 - 8440 Probation Officers	

- 5) How long have the services been contracted out? Is it likely to be a one-time or an ongoing request for contracting out?

The contract with Huckleberry Youth Programs, Inc. (formerly Youth Advocates) for a central receiving facility was first entered into by the Juvenile Probation Department, February 1, 1984. The contract expanded to include shelter and intake for status offenders on April 1, 1989. Clearly, this agreement is ongoing and the Department expects to continue to contract out to obtain these services.

-2-

- 6) What was the first year for a Proposition J certification? Has it been certified for each subsequent year?

The first year for the central receiving facility contract was FY 1983-84. The first year for the expanded contract was FY 1988-89. This contract has been renewed each subsequent year.

- 7) How will the services meet the goals of your MBE/WBE action plan?

Huckleberry Youth Programs, Inc., is a non-profit agency, therefore it does not fall within the purview of MBE/WBE goals. Additionally, extensive outreach was accomplished at this Request for Qualifications stage seeking potential MBE/WBE providers.

- 8) Does the proposed contract require that the contractor provide health insurance for its employees? Even if not required, are health benefits provided?

There is no stipulation in the body of the contract or within the scope of services, requiring the contractor to provide health benefits. However, health benefits are provided by this contractor.

The contractor's answers to HRC Form 12B-101 (Declaration: Nondiscrimination in Contracts and Benefits) attests that they offer health benefits to their employees.

- 9) Does the proposed contractor provide benefits to employees with spouses? If so, are the same benefits provided to employees with domestic partners? If not, how does the proposed contractor comply with the Domestic Partners Ordinance?

The contractor's answers to HRC Form 12B-101 (Declaration: Nondiscrimination in Contracts and Benefits) attest they offer health benefits to their employees with spouses. These same benefits are provided to employees with domestic partners.

Department Representative: Cheyenne Bell

Telephone Number: 753-7813

Item 5 - File 98-1236

Department: Department of Public Health (DPH)

Item: Ordinance amending Part II, Chapter V, of the San Francisco Municipal Code (Health Code) by amending Section 128 thereof, fixing patient rates for services furnished by City and County health and mental health care providers, authorizing retroactively the effective date of July 1, 1998.

Description: The San Francisco Municipal Code requires the City to approve an ordinance each year fixing patient rates for services provided by City and County health and mental health care providers. DPH reviews its charges for services each year and makes adjustments, when appropriate, to provide for a full recovery of costs. The proposed ordinance would fix patient rates for San Francisco General Hospital (SFGH), Laguna Honda Hospital (LHH), the City's 13 Primary Care Clinics, and the Community Mental Health Services and Community Substance Abuse Services provided by DPH. The ordinance would also authorize retroactively the effective date of July 1, 1998 for the proposed patient rates. The proposed patient rates apply only to direct payors (i.e., patients who pay their own medical bills) and private third-party payors (i.e., health insurance companies). Public third-party payors such as the Federal Medicare and State Medi-Cal Programs are not included in this rate structure.

The Attachment provided by DPH compares the FY 1997-98 patient rates with the proposed FY 1998-99 patient rates. Following a cost analysis, local rate surveys, and a review of reimbursement rates, DPH has determined that various increases in the rates for services are necessary to ensure that the patient rates recover the costs to provide the health services being provided by DPH. Changes in rates for FY 1998-99 include 5% increases in the services provided at San Francisco General Hospital and in the Primary Care clinics, and a 5% increase in residential detoxification services for substance abuse clients. DPH has proposed a 20% decrease in outpatient case management services for mental health clients to reflect the actual cost of providing this service. The proposed ordinance also includes new rates for providing (a) socialization skills training to outpatient mental health

clients and (b) residential services to substance abuse clients and their families. DPH has not proposed any changes in the rates for (a) home health services, (b) services provided at Laguna Honda Hospital, and (c) most mental health and substance abuse services.

Comments:

1. According to Ms. Anne Okubo of DPH, the Department's FY 1998-99 budget includes \$33,016,742 in patient revenues from third party payors including private insurance companies and from individuals who are able to pay for their medical bills. The proposed rates for FY 1998-99 are estimated to generate increased revenues in FY 1998-99 of \$5,590,750 over the \$27,425,992 in patient revenues budgeted by DPH in FY 1997-98. According to Ms. Okubo, the FY 1998-99 budget is based on the patient rates contained in the proposed ordinance. These rates became effective on July 1, 1998, and therefore this ordinance provides for retroactivity.

2. According to Ms. Okubo, the proposed patient rates (a) are consistent with the rates charged by other Bay Area health care institutions, (b) achieve consistency within the Community Health Network, which is DPH's integrated health care delivery system, and (c) provide for the recovery of DPH's costs.

Recommendation: Approve the proposed ordinance.

DEPARTMENT OF PUBLIC HEALTH
PROPOSED PATIENT RATES
FY 98-99

TYPE OF SERVICE	UNITS OF SERVICE	CURRENT RATE FY 97-98	PROPOSED RATE FY 98-99	PERCENT CHANGE
COMMUNITY HEALTH NETWORK				
<u>San Francisco General Hospital</u>				
Supplies & Drugs	Unit	Special Price List		
In-Patient Care				
Medical Surgical	Day	1,010	1,061	5%
Intensive Care	Day	2,389	2,509	5%
Coronary Care	Day	2,273	2,387	5%
Chest-Pulmonary	Day	2,312	2,427	5%
Stepdown Units	Day	1,558	1,636	5%
Pediatrics	Day	1,010	1,061	5%
Obstetrics	Day	1,010	1,061	5%
Nursery				
New Born	Day	614	644	5%
Observation/Well Baby	Day	1,010	1,061	5%
Semi-Intensive Care	Day	1,387	1,456	5%
Intensive Care	Day	2,003	2,103	5%
Labor/Delivery - 6G	Day	1,010	1,061	5%
Labor/Delivery Hours of Stay	Hour	58	61	5%
Psychiatric Inpatient	Day	1,048	1,101	5%
Psychiatric Forensic Inpatient - 7L	Day	1,048	1,101	5%
AIDS Unit - 5A	Day	1,010	1,061	5%
Security Unit - 7D	Day	1,010	1,061	5%
Skilled Nursing Facility	Day	436	458	5%
Mental Health Rehab. SNF	Day	436	458	5%
Surgical Services				
Minor Surgery Pre-Op Holding Room	Room	130	137	5%
Minor Surgery I (Come & Go)	1/4 Hour	185	195	5%
	1/2 Hour	370	388	5%
	3/4 Hour	555	583	5%
	Full 1 Hour	739	776	5%
	Ea. Add'l 1/4 Hr.	185	195	5%
Minor Surgery II	1st Hour	801	842	5%
	Ea. Add'l 1/2 Hr.	400	420	5%
Major Surgery Pre-Op Holding	Room	130	137	5%
Major Surgery I	1st Hour	1,195	1,254	5%

DEPARTMENT OF PUBLIC HEALTH
PROPOSED PATIENT RATES
FY 98-99

TYPE OF SERVICE	UNITS OF SERVICE	CURRENT RATE	PROPOSED RATE	PERCENT CHANGE
		FY 97-98	FY 98-99	
	Add'l 1/2 Hour	417	438	5%
Major Surgery II	1st Hour	1,348	1,416	5%
	Add'l 1/2 Hour	431	452	5%
Major Surgery III	1st Hour	1,502	1,577	5%
	Add'l 1/2 Hour	555	583	5%
Extraordinary Surgery	1st Hour	1,594	1,779	5%
	Add'l 1/2 Hour	616	647	5%
Surgery (2 Teams)	Procedure	2,343	2,465	5%
	Add'l 1/2 Hour	789	828	5%
Surgery (3 Teams)	Procedure	3,045	3,198	5%
	Add'l 1/2 Hour	1,024	1,076	5%
Recovery Room	1st Hour	462	485	5%
	2nd Add'l Hour	111	116	5%
	3rd Add'l Hour	69	73	6%
Anesthesia	First 1/2 Hour	367	385	5%
	Add'l Minute	12	12	0%
Argon Laser Treatment	Procedure	1,211	1,272	5%
Therapeutic Abortion	Procedure	200	210	5%
Emergency Clinic				
Level I	Room	73	77	5%
Level II	Room	100	105	5%
Level III	Room	125	133	6%
Level IV	Room	233	245	5%
Level V	Room	532	559	5%
Level VI	Room	1,254	1,328	5%
Non-Critical Observation	0-2 Hours	73	77	5%
	2-4 Hours	213	224	5%
	4-6 Hours	366	384	5%
Critical Observation	0-2 Hours	213	224	5%
	2-4 Hours	426	447	5%
	4-6 Hours	632	664	5%
Resuscitation		1,254	1,328	5%
General Clinic				
Initial				
Brief Exam	Visit	67	70	4%
Initial Intermediate	Visit	113	119	5%

DEPARTMENT OF PUBLIC HEALTH

PROPOSED PATIENT RATES

FY 98-99

TYPE OF SERVICE	UNITS OF SERVICE	CURRENT	PROPOSED	PERCENT CHANGE
		RATE FY 97-98	RATE FY 98-99	
Initial Comprehensive	Visit	235	247	5%
Targeted Case Management	Visit	135	135	0%
Established Patient				
Brief Exam	Visit	44	46	5%
Intermediate	Visit	67	70	4%
Comprehensive	Visit	158	166	5%
Use of Exam Room	Room	32	34	6%
Primary Care				
Initial				
Comprehensive Exam	Visit	175	184	5%
Extended Exam	Visit	125	130	4%
Intermediate Exam	Visit	95	100	5%
Limited Exam	Visit	65	68	5%
Targeted Case Management	Visit	135	142	5%
Established Patient				
Comprehensive Exam	Visit	150	157	5%
Extended Exam	Visit	75	78	4%
Intermediate Exam	Visit	50	52	4%
Limited Exam	Visit	35	37	6%
Dental Services				
Initial Complete Exam	Visit	35	37	6%
Periodic Exam	Visit	35	37	6%
Prophylaxis - Adult	Visit	50	52	4%
Prophylaxis - Child	Visit	45	47	4%
Extract Single Tooth	Visit	70	74	6%
One Surface, Permanent Tooth	Visit	65	68	5%
Home Health Services				
Skilled Nursing	Visit	147	147	0%
Home Health Aide Services	Visit	79	79	0%
Medical Social Services	Visit	203	203	0%
Physical Therapy	Visit	141	141	0%
Occupational Therapy	Visit	141	141	0%
Speech Therapy	Visit	145	145	0%

DEPARTMENT OF PUBLIC HEALTH
PROPOSED PATIENT RATES
FY 98-99

TYPE OF SERVICE	UNITS OF SERVICE	CURRENT	PROPOSED	
		RATE FY 97-98	RATE FY 98-99	PERCENT CHANGE
<u>Laguna Honda Hospital</u>				
Regular Hospital Rates				
Acute	Day	875	875	0%
Rehabilitation	Day	875	875	0%
Skilled Nursing Facility	Day	300	300	0%
All Inclusive Rates				
Acute	Per Diem	1,100	1,100	0%
Rehabilitation	Per Diem	1,100	1,100	0%
Skilled Nursing Facility	Day	350	350	0%
PUBLIC HEALTH				
<u>Community Mental Health Services</u>				
24-Hour Service				
Inpatient	24 Hours	850	850	0%
Skilled Nursing	24 Hours	415	415	0%
Crisis Residential	24 Hours	250	250	0%
Residential	24 Hours	125	125	0%
Day Services				
Rehabilitation	Full Day	110	110	0%
Intensive	Full Day	190	190	0%
Intensive (children)	Half Day	200	200	0%
Crisis Socialization	Hour	50	50	0%
Crisis Stabilization	Hour	80	80	0%
Socialization	Hour	-	30	
Outpatient Services				
Case Management Brokerage	Hour	100	80	-20%
Mental Health Services	Hour	150	150	0%
Medication Support	Half Hour	120	120	0%
Crisis Intervention	Hour	375	375	0%
<u>Community Substance Abuse</u>				
Residential - Basic	24 Hours	81	81	0%
Residential - Detoxification	24 Hours	80	84	5%
Residential - Family	24 Hours	-	135	
Residential - Medical Support	24 Hours	200	200	0%
Recovery Home	24 Hours	70	70	0%

DEPARTMENT OF PUBLIC HEALTH
PROPOSED PATIENT RATES
FY 98-99

<u>TYPE OF SERVICE</u>	<u>UNITS OF SERVICE</u>	<u>CURRENT RATE FY 97-98</u>	<u>PROPOSED RATE FY 98-99</u>	<u>PERCENT CHANGE</u>
Therapeutic Community	24 Hours	80	80	0%
Outpatient (include Detox)	Per Contract	108	108	0%
Methadone Treatment	Hour	26	26	0%
Naltrexone Treatment	Per Contract	45	45	0%
Prevention/Intervention	Hour	50	50	0%
Day Care - Habilitative	Per Contract	108	108	0%

Item 6 – File 98-1160

Department: Police Department (SFPD) & Municipal Railway

Item: Resolution waiving fees to be charged for crowd control and re-routing transit lines in connection with the Pink Saturday Party on June 27, 1998.

Description: On June 27, 1998, the Sisters of Perpetual Indulgence, Inc. ("the Sisters"), a non-profit organization, organized the Pink Saturday Party ("the Party"). The Department of Parking and Traffic (DPT), in accordance with Administrative Code Section 2.70-6, granted the Sisters a permit to temporarily use Castro Street between Market & 19th Streets and 18th Street between Collingwood & Hartford Streets in the Castro District for the purpose of conducting the Party. According to Ms. Cindy Shamban of the DPT, the Lesbian, Gay, Bisexual, Transgender Pride Celebration Committee, a non-profit organization, paid the requisite \$80 application fee to the DPT for the street fair permit. The Party was held on the Saturday before the City's annual Lesbian, Gay, Bisexual, Transgender (LGBT) Pride Celebration and Parade.

Approval of the proposed resolution would result in waiving Police Department fees of \$2,500 and Municipal Railway fees of \$1,400 that would otherwise be charged to the Sisters in connection with the Party.

According to Lieutenant Donald Carlson, the Party required a perimeter patrol of Police Officers, for the enforcement of alcohol, drug and disturbance of peace regulations. Attachment 1 is a cost report, provided by Lieutenant Carlson, detailing \$27,634 in personnel costs incurred by the SFPD. Such personnel costs include \$18,995 in Police overtime, \$7,556 in regular pay, and \$1,083 in premium pay. However, in accordance with Administrative Code Section 2.70-6, a street fair, as in this case, is charged a maximum of \$2,500 for SFPD service related to the event. According to Lieutenant Carlson, the Police Department believes that this fee of \$2,500 should be paid to the City.

In addition, according to Mr. Art Curtis of the Municipal Railway, the Party required the use of diesel buses instead of the electric bus lines which normally operate through the Castro District in order for the Municipal Railway to transport MUNI patrons around the perimeter of the event. In accordance with Section 2.70-6, a street fair is charged \$6.00 per electrically powered vehicle hour¹ per line affected by the event. Mr. Curtis states that the Party affected two electric bus lines for a combined total of 234 hours. Attachment 2 is a cost report, provided by Mr. Curtis, detailing \$1,400 in costs, based on \$6 per hour for 234 hours of affected service, incurred by the Municipal Railway. According to Mr. Curtis, the Municipal Railway believes that this fee of \$1,400 should be paid to the City.

According to Sister Kitty Catalyst, the Party served as a pre-LGBT Pride Celebration and Parade celebration. Sister Catalyst states that the Sisters did not benefit from holding the Party but rather aided the City by providing party-goers with portable restroom facilities, monitoring street barricades, and helping keep order at a social, cultural event that occurs spontaneously each year in the Castro District.

Sister Catalyst reports that an estimated 70,000 persons attended the Party and the Sisters collected voluntary donations of \$17,403 from Party-attendees. Attachment 3 contains a budget for the Party, provided by Sister Catalyst, showing that such donation revenues were used to pay for \$12,903 in event expenditures, resulting in a positive balance of \$4,500.

Sister Catalyst also advised the Budget Analyst that the balance of \$4,500 was distributed to 11 non-profit, community-based organizations as follows:

¹ Vehicle hour means the number of hours each coach on a line is in operation during the day of the event.

Memo to Finance Committee
August 12, 1998 Finance Committee Meeting

<u>Name of Non-Profit Organization</u>	<u>Grant Awarded</u>
Project Face to Face	\$250
Center for Alternative Families	250
WOMAN, Inc.	250
ACT/UP Golden Gate Writer's Pool	250
Eureka Valley Teen Program	500
MCC Simply Supper Program	500
LYRIC YLP Conference	500
Home Care Companions	500
Old Lesbians Organizing for Change	500
Needle Exchange Emergency Distribution	500
MUMC - Castro Beautification	<u>500</u>
Total	\$4,500

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

ATTACHMENT 1

E/NAME: STREET FAIRS/PRE-GAY PRIDE CELEBRATION

6/27/98

COMMENT: 980522

JUNK	NUM	HOURS				COSTS				SUB-TOTAL
		REG	EMW	OT	PREM	REG	EMW	OT	PREM	
G2	47	120.0	310.0	0.0	371.0	3,592.	11,965.	0.	597.	16,180.
G2/K	17	90.0	55.0	0.0	141.0	2,866.	2,273.	0.	261.	5,399.
Q35	0	0.0	0.0	0.0	0.0	0.	0.	0.	0.	0.
Q50	9	10.0	73.0	0.0	70.0	344.	3,277.	0.	131.	3,752.
Q50/K	2	10.0	8.0	0.0	17.0	363.	360.	0.	36.	780.
Q60	2	10.0	4.0	0.0	14.0	390.	205.	0.	32.	627.
Q60/K	1	0.0	4.0	0.0	4.0	0.	216.	0.	9.	225.
Q80	0	0.0	0.0	0.0	0.0	0.	0.	0.	0.	0.
Q360	0	0.0	0.0	0.0	0.0	0.	0.	0.	0.	0.
Q460	0	0.0	0.0	0.0	0.0	0.	0.	0.	0.	0.
C468	0	0.0	0.0	0.0	0.0	0.	0.	0.	0.	0.
Q400	0	0.0	0.0	0.0	0.0	0.	0.	0.	0.	0.
Q395	0	0.0	0.0	0.0	0.0	0.	0.	0.	0.	0.
Q390	0	0.0	0.0	0.0	0.0	0.	0.	0.	0.	0.
1424	0	0.0	0.0	0.0	0.0	0.	0.	0.	0.	0.
1426	0	0.0	0.0	0.0	0.0	0.	0.	0.	0.	0.
1446	0	0.0	0.0	0.0	0.0	0.	0.	0.	0.	0.
1450	0	0.0	0.0	0.0	0.0	0.	0.	0.	0.	0.
1934	0	0.0	0.0	0.0	0.0	0.	0.	0.	0.	0.
7364	0	0.0	0.0	0.0	0.0	0.	0.	0.	0.	0.
7410	0	0.0	0.0	0.0	0.0	0.	0.	0.	0.	0.
8207	0	0.0	0.0	0.0	0.0	0.	0.	0.	0.	0.
8213	1	0.0	19.0	0.0	10.0	0.	654.	0.	17.	671.
8236	0	0.0	0.0	0.0	0.0	0.	0.	0.	0.	0.
8239	0	0.0	0.0	0.0	0.0	0.	0.	0.	0.	0.
8250	0	0.0	0.0	0.0	0.0	0.	0.	0.	0.	0.
8251	0	0.0	0.0	0.0	0.0	0.	0.	0.	0.	0.
79		240.0	473.0	0.0	627.0	7,554	18,995.	0.	1,083.	27,633.

Misc Exp: 50.

Exp Cost:

Avg Hrs/Off: 9.0 Hrs

EVENT TOTALS: Off=79

Units=9

Hours (Reg+EMW+OT)=713.

Total Cost: \$ 27,633.27



**SAN FRANCISCO MUNICIPAL RAILWAY
CHIEF TRANSIT CONTROL INSPECTOR'S OFFICE**

2500-MARIPOSA STREET (Room 7), SAN FRANCISCO, CA 94110-1425
OFFICE = (415) 554-9286 FAX = (415) 554-9902

To: Gabriel Cabrera
Budget Analyst

From: Art Curtis @
Chief Transit Control Inspector

03 August 1998

Subj: MUNI COSTS FOR PINK SATURDAY

As previously discussed, the motor coach substitution costs for putting diesel buses on the normally electric bus lines #24-DIVISADERO and #33-STANYAN came to 234:07 hours, for a total cost, at \$6.00 per vehicle hour, of \$1404.70.

The overtime for MUNI Transit Service Inspectors assigned to supervise the re-routing of buses, extra service provided on the MUNI Metro, etc. amount to a total of 20 hours at the overtime rate (including benefits) of \$55 per hour. Thus an expenditure of \$1100.00.

The costs of placing 10 extra MUNI Metro trains into service between 5:00pm and 1:00am, to accommodate the heavy travel to and from the Castro Area, and operating between the Embarcadero and West Portal Stations, amounts to \$2763.12, also at the overtime rate.

Above costs do not include the administrative functions, performed during the normal work day, by myself, schedule makers, division dispatchers and other support personnel.

Please call me if you have any further questions, 554-9286.

cc: Chron Out
Pink Saturday File

Pink Saturday Preliminary Budget

Proposal & Planning	donated
Permit	\$ 140 (late charge \$60 inc)
Awareness Campaign	\$ 15 (est.)
(Pink posters/flyers to all merchants w/ deas & needs; partnering groups proposal letters, postage, etc)	
Command Center space	donated
Food snacks & bottled water for volunteers	\$ 45.50 (est)
Collection	
Armored Car/Bank Services	\$ 976.15 (est.)
Barricades	S.F. P.D.
Signage	
Large Signs	SPI has
"Benefiting Groups" Signs	\$ 13 (est.)
Buckets	\$ 70.53 (10)
Stickers (25,000 2")	\$ 385.72
T-shirts (144 w/set up & artwork)	\$ 775 (est)
Partnering Groups (\$50 per volunteer - est. 50)	\$ 3150 (63 gate volunteers)
Portapotties (estimate 40 w/at least 6 handicap)	\$ 1953
DJ & Sound System w/Security	\$ 700
Recycling	SF Community Recyclers
Insurance	\$ 1095
Miscellaneous Supplies	\$ 5 (est.)
Victory/Awards Party/Public Presentation	\$ 250
SPI - Event Management - see attached letter	\$ 3000
Accountant Fees	\$ 150 (est)
'99 (permit, event seed money)	\$ 179.72
Total outlays	\$12,903.62
Total estimated Revenue	\$17,403.62
- Total outlays	-\$12,903.62
=====	
Community Grants (besides Gate Partners)	\$ 4,500

Item 7 – File 98-1159

Department: Treasurer/Tax Collector
Department of Public Health

Item: Resolution authorizing the Bureau of Delinquent Revenue of the Treasurer/Tax Collector's Office to recover the cost of medical and dental care provided by County hospitals to persons injured by third parties under circumstances creating tort liability, as authorized by the State Government Code Sections 23004.1 through 23004.3, and authorizing the Bureau of Delinquent Revenue to compromise, settle or waive claims in connection with such recoveries.

Description: Sections 23004.1 and 230004.2 of the State Government Code provide a County with the authority to recover the County's costs of providing medical and dental care to persons injured by third parties under circumstances creating tort liability, and the authority to compromise, settle or waive claims in connection with such recovery. Section 23004.3 provides that Section 23004.1 and Section 230004.2 shall only become operative in a County if such Sections of the Government Code are formally adopted by resolution by the Board of Supervisors. The proposed resolution would authorize the Bureau of Delinquent Revenue to utilize the collection remedies as provided for in Sections 230004.1 and 23004.2.

Deputy City Attorney Paula Jesson advises that the intent of the proposed resolution is to provide the Bureau of Delinquent Revenue with a collection remedy in the event an uninsured patient is treated for injuries caused by the negligent misconduct of a third party, but the patient fails to assert a litigated claim. This may occur if the patient believes that he or she may not recover sufficient net proceeds in excess of attorney's fees and hospitalization charges. Mr. Robert Fletcher of the Tax Collector's Legal Section advises that recent ballot initiatives, for example Proposition 213, have limited the amount of damages that an uninsured or drinking driver may recover from a third party even though the third party was at fault in causing the patient's injuries. Under such circumstances, Section 23004.1(b) authorizes the

County to commence an action in its own name against the third party specifically to recover the medical and dental treatment costs incurred by the County.

Mr. Fletcher advises that in order to implement the remedy provided under Section 23004.1(b), the Department of Public Health must discover (a) the existence of a third party cause of action in favor of an injured person who was treated at a County hospital and; (b) that the injured person does not intend to sue or otherwise formally assert the claim against the third party. According to Ms. Anne Okubo of the Department of Public Health, County hospital personnel are (a) routinely instructed to ascertain whether or not the patient intends to sue the third party who injured the patient and; (b) immediately refer the billing file to the Bureau of Delinquent Revenue of the Treasurer/Tax Collector's Office for appropriate litigation to be taken by the County against the third party to collect the amount of the County's costs in providing medical treatment services to the injured patient. Any lawsuit authorized by Section 23004.1(b), must be filed by the Bureau of Delinquent Revenue against the negligent third party, within one year of the incident that caused the patient's injuries.

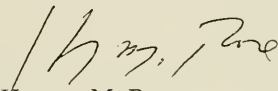
If the injured person files a lawsuit or makes an unlitigated claim against the third party, the Bureau of Delinquent Revenue is presently able to obtain recoveries from a patient's third party lawsuit and unlitigated claim through a lien against the patient's recovery proceeds from the third party. These liens were authorized by municipal ordinance and were enacted by the County prior to Government Code Section 23004.1.¹ However, Mr. Fletcher advises that if an injured party fails to file a lawsuit or make a non-litigated claim against the negligent party, the Bureau of Delinquent Revenue is unable to apply a lien to recover payment of the County's costs. Therefore approval of the proposed legislation would authorize the County to file a lawsuit against the third party in order for the County to recover its costs in

¹ In *City and County of San Francisco v Sweet*, (1995) 12 Cal.4th 105, the State Supreme Court affirmed San Francisco County's right to recover the full amount of its hospitalization recovery lien based on local ordinance.

providing medical treatment services to the injured persons.

Although the proposed resolution expressly preserves the existing third party lien remedies, the proposed resolution would provide the Bureau of Delinquent Revenue with a collection remedy by allowing the Bureau of Delinquent Revenue to commence an action on behalf of the County against the negligent third party who caused the injury to the patient of a County hospital, specifically to recover the County's costs in treating the patient for any medical and dental treatment services incurred by the injured party.

Recommendation: Approve the proposed resolution.



Harvey M. Rose

cc: Supervisor Teng
President Kaufman
Supervisor Newsom
Supervisor Ammiano
Supervisor Bierman
Supervisor Brown
Supervisor Katz
Supervisor Leno
Supervisor Medina
Supervisor Yaki
Supervisor Yee
Clerk of the Board
Controller
Gail Feldman
Matthew Hymel
Stephen Kawa
Ted Lakey

9/98

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AUG 20 1998

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M I N U T E S
FINANCE COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO
REGULAR MEETING

WEDNESDAY, AUGUST 19, 1998 - 1:00 P.M.VETERANS BUILDING
401 VAN NESS AVENUE
ROOM 410

MEMBERS: SUPERVISORS MABEL TENG, BARBARA KAUFMAN, GAVIN NEWSOM

CLERK: JONI BLANCHARD

ABSENT: Supervisor Teng for entire meeting.

Meeting Commenced: 1:01 p.m.REGULAR CALENDAR

1. File 98-1286. [First Offender Prostitution Program Fee] Ordinance amending Administrative Code by adding Section 10.193-1, authorizing the District Attorney's Office to collect fees from participants in the First Offender Prostitution Program. (District Attorney)

SPEAKERS: Harvey Rose, Budget Analyst; District Atty. Representative; Susan Trice, District Atty.; Mike Lawson, SFPD; Ray Cory, SFPD; John Madden, Controller's Office; Norma Hotalling, requested additional funding for services.

ACTION: Hearing held. Amendment of the whole (bearing same title) adopted. Recommended as amended.

2. File 98-1321. [Emergency Repair, Southeast Water Pollution Plant] Resolution approving the expenditure of funds for the emergency work to demolish and remove the collapsed roof cover of SEWPCP Digester No. 5. - \$182,573.00. (Public Utilities Commission)

SPEAKERS: Harvey Rose, Budget Analyst.

ACTION: Hearing held. Recommended.

3. File 98-1280. [Purchase of 345 Randolph Street Property] Resolution authorizing the purchase of at 345 Randolph Street (Assessor's Parcel Number 7118/44) for the San Francisco Public Library's Oceanview Branch Library; and adopting findings under the California Environmental Quality Act and findings pursuant to City Planning Code Section 101.1. (Real Estate Department)

SPEAKERS: Harvey Rose, Budget Analyst; City Librarian.

Speaking in support: Mary Harris, Lillie Simms, Velma Wills, Doug Moran, Darcus Thomas, Royce Vaughn.

ACTION: Hearing held. Recommended.

4. File 98-1088. [Flea Market] Ordinance amending Administrative Code by adding Chapter 9B, Sections 9.B1 through 9B.9, authorizing City Administrator to establish and regulate a flea market at 100 Alemany Boulevard; charging vendors at the market a fee for the privilege of selling at the market; and ratifying and approving fees collected between June 1996 and the effective date of this ordinance. (Supervisor Newsom)

SPEAKERS: Harvey Rose, Budget Analyst; David Frieders, Dept. of Agriculture, Weights and Measures - support.

ACTION: Hearing held. Recommended.

5. File 98-0997. [Department of Emergency Communications] Ordinance amending Administrative Code by amending Section 7.7 to eliminate the authority of the Director of Emergency Services to manage the City's 911 communications facility and by adding Section 2A.200 to create a Department of Emergency Communications, under a Director of Emergency Communications appointed by the Mayor, to operate the City's 911 communications facility. (Supervisor Medina)

SPEAKERS: Harvey Rose, Budget Analyst; Mike Martin, 911 Project.

ACTION: Hearing held. Recommended.

VOTE ON ALL ITEMS WAS 2 - 0, WITH SUPERVISOR TENG ABSENT FOR ENTIRE MEETING.

Meeting Adjourned: 1:59 p.m.

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19/98

CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

August 14, 1998

TO: Finance Committee

FROM: Budget Analyst *Recommendations for meeting of*

SUBJECT: August 19, 1998 Finance Committee Meeting

Item 1 - File 98-1286

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AUG 18 1998

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Department: District Attorney's Office

Item: Ordinance amending Article XVI, Chapter 10, Part I of the San Francisco Municipal Code (Administrative Code) by adding Section 10.193-1, authorizing the District Attorney's Office to collect fees from participants in the First Offender Prostitution Program and establishing the First Offender Prostitution Program Special Revenue Fund.

Description: The District Attorney's First Offender Prostitution Program (Program) was started in January of 1995 as a collaborative partnership of local government agencies (including the Police Department, District Attorney's Office, Department of Public Health, Sheriff's Office, Probation Department, and Juvenile Justice System) and community-based service providers and advocates. Since 1995, the Program has been operated by a nonprofit organization called the Friends of Victim Witness (Friends). The goal of the Program is to change the current practice of revolving door arrests and prosecution of prostitutes through the creation of a continuum of prevention, intervention and treatment services for women and girls to facilitate their permanent exit from

the life of prostitution. In addition, the Program provides an educational program for "customers of prostitutes" (customers) in order to demonstrate how they are implicated as supporters of the system, thereby discouraging their further participation.

Participants in the Program consist of both prostitutes and customers who are arrested for violating Penal Code Section 647(b). Such violations include soliciting, agreeing to engage in, or engaging in any act of prostitution. Typically, only persons with no prior criminal record are admitted into the Program, although eligibility is determined on a case by case basis. Customers who participate in the Program are charged an administrative fee of up to \$500 by the Friends. Prostitutes who participate in the Program are not charged a fee. Participation in the Program by both customers and prostitutes is voluntary. In exchange for participating in the Program, participants are not formally charged with violating Penal Code Section 647(b).

Ms. Teresa Serata of the District Attorney's Office reports that based on field work done in conjunction with an audit conducted by the Controller's Office, the District Attorney's Office plans to assume responsibility for the operation of the Program in FY 1998-99, pending approval by the Board of Supervisors of this proposed ordinance which would authorize the District Attorney's Office to charge fees to Program participants. The Controller's Office has indicated that it would be more appropriate for the District Attorney's Office to administer the Program than for the Friends to administer the Program.

The proposed ordinance would amend Section 10.193-1 of the Administrative Code to authorize the District Attorney's Office to charge an administrative fee not to exceed \$500 to customers arrested for violating Penal Code Section 647(b). Such persons would be charged a fee by the District Attorney's Office if they were determined by the District Attorney's Office to be eligible for the Program and if they were to voluntarily elect to participate in the Program. As noted before, prostitutes would not be charged this administrative fee. In addition

BOARD OF SUPERVISORS
BUDGET ANALYST

to authorizing the District Attorney's Office to collect fees, the proposed ordinance would also establish the First Offender Prostitution Program Special Revenue Fund where all such fees would be deposited.

Under the proposed ordinance, the District Attorney's Office would be prohibited from charging a fee in excess of \$500, and would be authorized, in consultation with the Controller, to reduce the fee to not less than \$100 for individuals lacking the financial ability to pay, as determined by the District Attorney's Office. The proceeds from the collection of the fee would be deposited in the proposed First Offender Prostitution Program Special Revenue Fund and would be used to defray the costs of administering the Program.

Not later than January 1st of each year, the Controller would be required to reexamine the fee. If the Controller were to find that the maximum authorized fee did not recover the full costs of the services provided by the Program or that the minimum authorized fee exceeded the costs of the services provided by the Program, the Controller would submit a resolution for approval to the Board of Supervisors to modify the fee, effective as of the beginning of the following fiscal year.

Comments:

1. According to Ms. Serata, the proposed fee of \$500 is based on the \$294,624 in fee revenues collected by the Friends during calendar year 1997. Attachment 1, provided by the District Attorney's Office, shows the fee revenues totaling \$657,197 which were realized by the Program between January 1996 and June 1998. The Program had 531 participants in 1996, 564 participants in 1997, and 416 participants through July of 1998 of which 401 were paying participants. The District Attorney's Office was unable to provide an estimate of the number of paying participants in 1996 and 1997.

2. Ms. Grace Chan of the District Attorney's Office reports that the Program will serve an estimated 713 participants in FY 1998-99 and will collect estimated revenues of \$335,292, based on a fee of between \$100 and \$500, or an average fee of approximately \$488 per paying

participant, charged to an estimated 687 paying participants.

3. According to Ms. Serata, \$295,000 in Program fee revenue has been included in the District Attorney's FY 1998-99 budget to offset the estimated cost of the Program during FY 1998-99 which is expected to be \$295,000. The budgeted revenues of \$295,000 are \$40,292 less than the latest projected revenues of \$335,292. Attachment 2 contains the details for the \$295,000 in budgeted Program costs as approved in the District Attorney's FY 1998-99 budget. Ms. Serata reports that prior to January 1, 1999, the fee will be reviewed by the Controller to determine if the fee is generating revenues which are approximately equal to the costs of the services provided by the Program. If that is not the case, a resolution will be submitted by the Controller to the Board of Supervisors to provide for an adjustment to the fee.

Recommendation: Based on actions previously taken by the Board of Supervisors to approve the Program revenues and expenditures in the FY 1998-99 budget of the District Attorney, approve the proposed ordinance.

First Offender Prostitution Program
Revenue - January 1996 through June 1998

Jan-96	\$11,340	
Feb-96	\$10,846	
Mar-96	\$12,180	
Apr-96	\$12,731	
May-96	\$10,756	
Jun-96	\$16,518	
Jul-96	\$17,625	
Aug-96	\$13,675	
Sep-96	\$15,360	
Oct-96	\$29,131	
Nov-96	\$21,900	
Dec-96	\$22,865	\$194,927
Jan-97	\$20,940	
Feb-97	\$16,680	
Mar-97	\$11,230	
Apr-97	\$28,229	
May-97	\$23,395	
Jun-97	\$26,508	
Jul-97	\$26,274	
Aug-97	\$24,890	
Sep-97	\$23,654	
Oct-97	\$33,425	
Nov-97	\$34,699	
Dec-97	\$24,700	\$294,624
Jan-98	\$25,306	
Feb-98	\$18,600	
Mar-98	\$22,950	
Apr-98	\$31,560	
May-98	\$27,050	
Jun-98	\$42,180	
Jul-98		
Aug-98		
Sep-98		
Oct-98		
Nov-98		
Dec-98		\$167,646
TOTAL Jan 96 - Jun 98	\$657,197	

TIME: 23:09
PAGE: 186
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CITY AND COUNTY OF SAN FRANCISCO
PHASE II PROGRAM EXPENDITURE REPORT
BUDGET YEAR 1990-99

REPORT: RPR-III-EXP
DATE: 10/06/90

DEPARTMENT: DAT DISTRICT ATTORNEY SERVICES
DIVISION: 101 DISTRICT ATTORNEY SERVICES
PROGRAM: 101A FELONY PROSECUTION
FUND: TYPE: 125 SPECIAL REVENUE FUNDS
FUND: 101A PPF PUBLIC PROTECTION SPECIAL REVENUE FUND
SUBFUND: 101A DA-FIRST OFFENDER PROSTITUTION PROGRAM

OBJECT	OBJECT TITLE	1996-97 ACTUAL AMOUNT	1997-98 ORIGINAL BUDGET	1997-98 REVISED BUDGET	1998-99 DEPARTMENTAL REQUEST	1998-99 MAYOR'S RECOMMENDED	1998-99 BOARD APPROVED
001	PERMANENT SALARIES-MISC						62,540
015	INDIATORY TRICE BENEFITS						15,016
026	COURT FEES AND OTHER COMPENSAT						5,400
027	PROFESSIONAL & SPECIALIZED SER						59,000
035	OTHER CURRENT EXPENSES						2,560
040	INTERESTS & SUPPLIES BUDGET ON						1,004
001	SERVICES OF OTHER DEPTS (AAO I						149,000
							295,000
	SUBFUND DAT SUBTOTAL						

Item 2 – File 98-1321

Department: Public Utilities Commission (PUC)

Item: Resolution authorizing the expenditure of funds in the amount of \$182,573 for emergency work to demolish and remove the collapsed roof cover of the Southeast Water Pollution Control Plant's (SEWPCCP) Digester No. 5.

Amount: \$182,573

Source of Funds: FY 1997-98 PUC Repair and Replacement Fund

Description: The Southeast Water Pollution Control Plant's Digester No. 5 holds the sludge coming from the sewer plant, reduces the volume, and prepares it for the landfill. Mr. Everett Hintze, of the Public Utilities Commission, advises that the cover of Digester No. 5 at the Water Pollution Control Division's Southeast Plant collapsed in December 1997. According to Mr. Hintze, the residual material left in the bottom of the digester and protected by the collapsed cover became a mosquito breeding ground. The infestation of mosquitoes became a nuisance to the neighboring area of Bay View Hunters Point. Immediate demolition and removal of the roof cover was required to protect the health and welfare of the Citizens of San Francisco.

The PUC declared an emergency on January 2, 1998. In accordance with Section 6.30 of the Administrative Code, the PUC initiated expedited contract procedures and the PUC awarded a contract to A. Ruiz Construction Co. for \$168,820 based on the adjusted low bid of \$151,938 which takes into account the MBE/LBE status of the construction company. Changes to the contract resulted in the final construction cost increasing by \$6,153 to \$174,973. Mr. Hintze reports that three bids were received between December 22, 1997 and January 20, 1998. Attachment I provided by PUC contains a list of the bidders and the amount bid.

Budget: The total estimated project cost was \$182,573 including \$168,820 for the original construction contract amount, \$6,153 for the change order and \$7,600 for Department of

BOARD OF SUPERVISORS
BUDGET ANALYST

Public Works (DPW) design costs. Attachment II provided by DPW contains the budget details for the design costs totaling \$7,312 or \$288 less than the estimate of \$7,600.

Comments:

1. The PUC reports that the demolition and removal of the roof cover began on February 18, 1998 and was completed on March 9, 1998.
2. According to Mr. Hintze, the delay in the approval of this legislation was due to a backlog of paperwork, as a result of a large pile of emergencies caused by El Nino.

Recommendation:

Approve the proposed resolution.



AGENDA ITEM

DEPARTMENT: Utilities Engineering BureauAGENDA NO. 10MEETING DATE July 28, 1998

SUMMARY OF PROPOSED ACTION:

Approval of the Declaration of Emergency by the President of the Public Utilities Commission for Clean Water Program Contract No. CW-169E, "SEWPCP Digester No. 5 Roof Cover Demolition" and Requesting the Board of Supervisors to Approve the expenditure of funds for emergency work to remove the collapsed roof cover of the Southeast Water Pollution Control Plant's (SEWPCP) Digester No. 5.

DESCRIPTION OF PROPOSED ACTION:

The work performed under this Emergency consisted of demolishing and removing the collapsed roof cover of the Southeast Water Pollution Control Plant's Digester No. 5 and all related incidental work. PUC's Bureau of Water Pollution Control and DPW's Bureau of Engineering provided the design, and DPW's Bureau of Construction Management handled construction inspection.

Three (3) Quotations were received between December 22, 1997 and January 20, 1998 as follows:

	Firm	Quote Amount	Quote Preference	Adjusted Amount	Rank
1.	A. Ruiz Construction Co. (MBE/LBE) San Francisco, CA 94110	\$168,820.00	10%	\$151,938.00	1
2.	Evans Bros., Inc. Livermore, CA 94550	\$159,950.00	0%	\$159,950.00	2

APPROVALS:

DEPARTMENT /
BUREAUUTILITIES ENGR.
BUREAUCOMMISSION
SECRETARYRomaine Boldridge

FINANCE

Steven CarmichaelGENERAL
MANAGER

A handwritten signature in dark ink, likely belonging to the General Manager, Steven Carmichael.

	Firm	Quote Amount	Quote Preference	Adjusted Amount	Rank
3.	Homer J. Olsen, Inc. Union City, CA 94587	\$165,000.00	0%	\$165,000.00	3

(*) For comparison of quotes after application of business enterprise quote preferences.

Work is of lump sum and unit bid item type.

The Engineer's Estimate for this contract was \$170,000.00. The original contract as awarded to A. Ruiz Construction Co. was for \$168,820.00. In addition, a change order in the amount of \$6,153.00 was issued for the repair of Digester No. 10. The final contract cost with the addition of the change order was \$182,573.00.

Therefore, the cost of this project, including the change order, is \$182,573.00:

Bureau of Engineering (Design)	\$ 7,600.00
Original Construction Contract Amount	\$ 168,820.00
<u>Change Order</u>	<u>\$ 6,153.00</u>
Total Project Cost	\$ 182,573.00

This project is part of PUC's continuing Clean Water Repair and Replacement Program. Funds are available from the R&R Fund (Fund 5C/CPF/R&R, FAMIS Project No. CENRNRR915, Job Order No. 1464N and FAMIS Project No. CENRNRR951, Job Order No. 1572N).

Affirmative Action

Because this was an emergency contract, HRC subcontracting goals were not established by the HRC Contract Compliance Officer assigned to monitor the Clean Water Repair and Replacement program.

Schedule

A. Ruiz Construction Co. began the work on February 18, 1998 and completed it on March 9, 1998.

CONTEXT OF THIS ACTION:

In December 1997, the Bureau of Water Pollution Control (BWPC) of the Public Utilities Commission recognized the need to demolish and remove the collapsed roof cover of SEWPCP Digester No. 5 to remedy a public nuisance caused by mosquitoes spawning in the digester. Although the collapsed roof cover of the

**SEWPCP Digester No. 5 Cover Removal (1464N) - Design Expenditures for
DPW - Bureau of Engineering - Structural Engineering Section**

Job Title	Classification	Approximate Hourly Rate (\$/hr.)	Number of Hours Charged to Job Order	Approximate Amount Charged to Job Order
Assistant Civil Engineer	5204	\$ 58	108	\$ 6,264.00
Civil Engineering Associate I	5364	\$ 47	8	\$ 376.00
Civil Engineering Assistant II	5362	\$ 42	16	\$ 672.00

Number of Hours Charged to Job Order:

132

Total Amount Charged to Job Order:

\$ 7,312.00 ±

Item 3 – File 98-1280

Department: Department of Real Estate
Public Library

Item: Resolution authorizing the purchase of the property located at 345 Randolph Street in order to demolish the existing vacant commercial building and construct a new Oceanview Branch Library; and adopting findings under the California Environmental Quality Act and findings pursuant to City Planning Code Section 101.1.

Location: Assessor's Block No. 7118, Lot No. 44

Seller: Ms. Anna Lee

Size of Lot: Approximately 2,175 square feet of land area

Purchase Price: \$197,500 including \$10,000 in closing costs

Source of Funds: Previously appropriated funds included in the Public Library's FY 1998-99 budget

Description: Approval of the proposed resolution would authorize the acquisition of the subject property, Block No. 7118, Lot No. 44, from Ms. Anna Lee for \$197,500 for construction of a new, City-owned Oceanview Branch Library.

The subject property, consisting of a vacant, one-story commercial building on approximately 2,175 square feet of land, is located in the Oceanview neighborhood on the southeast corner of Randolph Street and Ramsell Street. The rectangular-shaped lot has dimensions of approximately 29' x 75', or a total of approximately 2,175 square feet as noted above. In FY 1997-98, the Property was assessed at \$250,000. Property taxes for FY 1997-98 were approximately \$2,975, based on a tax rate of \$1.19 per \$100 of assessed valuation. According to the Assessor's Office, the current owner successfully appealed this assessment during FY 1997-98, and the assessment for FY 1998-99 will be \$140,000. Regardless of this reassessment, the City will no longer receive any Property Taxes once the City acquires the subject property.

BOARD OF SUPERVISORS
BUDGET ANALYST

At its August 18, 1998 meeting, the Library Commission will consider a resolution to acquire the subject property in order to construct a new, permanent Oceanview Branch Library. This new Branch Library would replace an existing leased facility, located at 111 Broad Street, now being used as the temporary Oceanview Branch Library. According to Ms. Claudine Venegas of the Department of Real Estate (DRE), the leased space is not in compliance with the Americans with Disabilities Act (ADA).

The Department of City Planning (DCP) has found that the proposed acquisition of the subject property is in conformity with the City's General Plan and consistent with the eight Priority Policies of Planning Code Section 101.1. DCP has also found that the proposed acquisition and projected use of the subject property are exempt from Environmental Review under Class I of the California Environmental Quality Act.

Comments:

1. As part of the Board of Supervisors approval of the Public Library's FY 1998-99 budget, \$2,500,000 was budgeted to pay for the subject \$197,500 acquisition price as well as the demolition of the existing building and the design and construction of a new Oceanview Branch Library.

2. According to Ms. Venegas of the DRE, the Oceanview Branch Library currently occupies 1,370 square feet of space at 111 Broad Street. The current monthly rent for this leased space is \$827, or approximately \$0.60 per square foot per month, or \$9,924 per year. As noted above, the existing leased space does not comply with ADA requirements. According to Ms. Venegas, although the lease for this space expired on July 31, 1993, the Public Library has continued to lease the space on a month-to-month basis. According to Ms. Venegas, the reason for continuing this lease on a month-to-month basis instead of negotiating for a regular lease term is that the City cannot sign a lease on a property that does not comply with ADA requirements. According to Ms. Venegas, the Public Library expects to continue to occupy the existing leased space until the new Oceanview Branch Library is completed and ready for occupancy. According to Ms. Marcia Schneider of the Public Library, it is

anticipated that the new Oceanview Branch Library will be completed and operating in March of 2000.

3. Ms. Venegas states that the DRE has determined that the purchase price of \$187,500, or approximately \$86.21 per square foot based on the lot area of 2,175 square feet, represents the fair market value of the 345 Randolph Street property. The owner of the property has agreed to this purchase price and has entered into an Agreement of Purchase and Sale with the City, which is scheduled to close on or before November 6, 1998. Ms. Venegas estimates that the total costs to purchase the property, including \$10,000 in closing costs, will be \$197,500. According to Ms. Schneider, the \$197,500 in acquisition costs for the 345 Randolph Street property is included in the \$2,500,000 that has been appropriated in the FY 1998-99 Public Library budget. As noted above, in addition to the acquisition price for the subject property, the \$2,500,000 total project appropriation is estimated to also cover the costs for the demolition of the existing vacant commercial building and the design and construction of the new Oceanview Branch Library, according to Ms. Schneider.

4. According to Ms. Schneider, the new two-story building will consist of 4,700 square feet, which is 3,330 square feet, or 243 percent more than the 1,370 square feet contained in the existing leased facility. The additional space in the new Branch Library will contain a new computer lab and a children's story telling room, along with expanded public space and other facilities designed to ensure ADA compliance, according to Ms. Schneider. As shown in the Attachment provided by Mr. Edgar Lopez of the Department of Public Works' Bureau of Architecture, the current estimated cost to acquire the property, as well as to pay for the demolition of the existing building and the design and construction of the new Branch Library, is \$2,492,000, or \$8,000 less than the \$2,500,000 appropriated for the project in the Public Library's FY 1998-99 budget. According to Mr. Lopez, in November of 1998 the Public Library expects to initiate an Invitation to Bid process for the award of a construction contract. Construction is projected to begin in February of 1999, and to be completed, as noted above, in March of 2000.

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Recommendation: Approve the proposed resolution, based on the prior policy decision of the Board of Supervisors to approve funds in the Public Library's FY 1998-99 budget to construct a new Oceanview Branch Library, contingent on approval by the Library Commission at its meeting of August 18, 1998 to acquire the subject property.



Willie Lewis Brown, Jr., Mayor
Mark A. Primeau, AIA, Director and City Architect

Post-It Fax Note 7671

Date 8.11.98 # of pages 1

To	NICK EVANS	From	EDGAR LOPEZ
Co./Dept.	LEVINSON	Co.	DPW/BOA
Phone #		Phone #	557-4675
Fax #		Fax #	

OCEAN VIEW BRANCH LIBRARY PROPOSED BUDGET MENU

PROPOSED BUDGET		\$2,492,000	% Const.
1 CONSTRUCTION, PURCHASE AND INSTALLATION		\$1,740,500	100.0%
Includes construction contract, construction contingency, art enrichment (2% of construction), hazardous materials, temporary relocation, fixed equipment			
2 CLIENT DEPARTMENT SERVICES	*Reserve	\$94,493	5.4%
3 DPW PROJECT MANAGEMENT		\$80,000	4.6%
Responsibilities include management of project budget & schedule from start-up to post-construction, monitoring of project funds, management of design and construction contracts, reporting of financing			
4 ADDITIONAL SERVICES		\$30,000	1.7%
Environmental Oversight & coordination, programming & planning, and management of agency approvals.			
5 CITY ADMINISTRATIVE SERVICES		\$10,000	0.6%
Includes City Attorney's fees			
6 REGULATORY AGENCY APPROVALS		\$53,000	3.0%
Includes permit fees, & planning fees.			
7 BASIC ARCHITECTURAL/ENGINEERING SERVICES		\$208,233	12.0%
Includes basic A/E design and construction administration services			
8 SUPPLEMENTAL A/E SERVICES		\$57,000	3.3%
Includes site & utilities assessments, existing conditions assessments & documentation, environmental review, landscape architecture, cost estimating, post construction services, quality assurance reviews. (Budgeted)			
9 CONSTRUCTION MANAGEMENT		\$178,774	10.3%
Includes basic CM services, as well as prevailing wage monitoring, materials testing & inspection, Enforcement of HRC requirements (MBE/WBE goals), certified payroll compliance, contract preparation, and scheduling			
10 GEOTECH., SURVEYS		\$40,000	2.3%
Includes geotechnical investigations, surveys, hazardous materials assessments			
11 TOTAL PROJECT BUDGET		\$2,492,000	143.2%

The figures listed above are budgetary assumptions for the purpose of appropriation. These items represent typical project costs based upon previous project experience and are included for discussion and consideration. They are predictions of expenditures by category, actual costs will be managed jointly by the San Francisco Public Library and the Department of Public Works. Questions regarding this budget should be directed to the Project Architect or the City Librarian.

8

Régina Minudri
Regina Minudri
City Librarian
557-4236

Edgar Lopez
Edgar Lopez
DPW Project Architect
557-4675

7/13/98
Date

7.14.98
Date

Item 4 – File 98-1088

Department: Department of Agriculture and Weights and Measures

Item: Ordinance amending the San Francisco Administrative Code by adding Chapter 9B thereto, authorizing the City Administrator to establish and regulate a Flea Market at 100 Alemany Boulevard; charging vendors at the Market a fee for the privilege of selling at the Market; and ratifying and approving fees collected between June, 1996 and the effective date of this ordinance.

Description: According to Mr. Sid Baker of the Department of Agriculture and Weights and Measures (Department), since June of 1996, the Department has operated a Flea Market at 100 Alemany Boulevard one day per week (Sunday) from approximately 7:00 a.m. to 5:00 p.m., for the sale of collectibles, crafts, antiques and other non-produce goods. The Department also operates a Farmer's Market one day per week (Saturday) at that location, at which certified farm vendors sell their produce.

Although the Flea Market has been operating since June of 1996, according to Mr. Mario Kashou of the City Attorney's Office, legislation was never submitted to the Board of Supervisors to create such a market or to authorize fees because the Department of Agriculture was not aware that it needed Board approval until February of 1998, when a City Attorney was first assigned to the Department. Previously, the Department of Agriculture believed that it could operate the Flea Market as a part of the Farmer's Market because, under Administrative Code Chapter 9A, the Department is authorized to operate the Farmer's Market.

The proposed ordinance would formally authorize the City Administrator, through the Department of Agriculture and Weights and Measures, to operate the Flea Market at 100 Alemany Boulevard. In addition, the proposed ordinance would officially establish (a) fees; (b) rules and regulations regarding the assignment of stall space, expulsion, maintenance of sanitary conditions and safe and orderly conduct; (c) procedures for obtaining

BOARD OF SUPERVISORS
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permission to sell; and (d) the processes of expelling vendors and filing appeals.

The Department of Agriculture and Weights and Measures currently charges vendors at the Flea Market a daily fee of \$20 per stall. Based on 192 stalls at the Flea Market, operating 52 days per year, revenues of up to \$200,000 (\$20 per stall per day x 192 stalls x 52 days per year) are realized by the City on an annual basis. Such revenues have been included in the Department's annual budgets since June of 1996. The Department's actual revenues from the Flea Market were \$182,296 in FY 1997-98.

The proposed ordinance would also provide for an increase in the daily vendor fee of \$10, from \$20 per stall per day to \$30 per stall per day, effective upon approval of the proposed ordinance by the Board of Supervisors. Vendors who pay in advance for an entire month would receive a 10 percent discount on the total charge for that month.

The Department estimates that the proposed \$10 per day fee increase, from \$20 per stall per day to \$30 per stall per day, would generate approximately \$99,840 in additional revenues to the City annually (\$10 extra per stall per day x 192 stalls x 52 days per year).

In addition to the present operation on each Sunday, the Department of Agriculture and Weights and Measures is proposing to operate the Flea Market one additional day on Wednesdays of each week. The Department estimates that the additional revenue resulting from operating on each Wednesday would be approximately \$78,000 annually, based on a conservative estimate of 50 stalls at \$30 per stall per day, 52 days per year.

As such, the total estimated increase in revenues resulting from the proposed fee increase and the one additional day per week of operation for the Flea Market would be \$177,840 annually (\$99,840 plus \$78,000). The Department's FY 1998-99 budget includes \$377,520 in revenues from the Flea Market, including the \$177,840

BOARD OF SUPERVISORS
BUDGET ANALYST

from the proposed increase in fees and the expansion of one additional day per week.

The Department's FY 1998-99 budget reflects an increase of \$8,071 (for materials and supplies) to operate the Flea Market one additional day per week. The Department advises that no other additional resources are necessary, as it plans to use existing personnel to operate the Flea Market on the extra day (Wednesday). The FY 1998-99 budgeted cost of operating the Flea Market two days per week is \$147,543.

Attachment I, provided by the Department, shows the revenues and costs, as previously approved by the Board of Supervisors in the Department's FY 1998-99 budget, compared to the revenues and costs approved in the FY 1997-98 budget.

The ordinance further provides that the Board of Supervisors would ratify and approve the existing \$20 fee per stall per day which has been charged by the Department to vendors since June of 1996.

Comments:

1. Attachment II is a memorandum written by Mr. David Frieders, Agricultural Commissioner/ Director of Weights and Measures, explaining why the Department of Agriculture and Weights and Measures has been operating and charging fees at the Flea Market at 100 Alemany Boulevard since June of 1996, without receiving prior Board of Supervisors approval. As previously noted, Mr. Kashou of the City Attorney's Office states that the Department of Agriculture and Weights and Measures was not aware that the Department needed approval for operating a Flea Market separate from the previously authorized operation of the Farmer's Market.

2. The Department advises that the proposed fee increase and expansion of one additional day per week has not yet been implemented but would be effective upon approval of the proposed ordinance by the Board of Supervisors. According to Ms. Marilyn Martinez of the Department of Agriculture and Weights and Measures, the Department still expects to realize its budgeted revenues for FY 1998-

999 despite the delay in implementing the provisions of the proposed ordinance.

3. As noted above, the total additional estimated revenues resulting from the proposed fee increase and the one additional day of operation of the Flea Market would be \$177,840 annually, while the estimated increased costs would be only \$8,071 annually. Overall, revenues from the Flea Market, which would total \$377,520, would exceed budgeted costs of \$147,543 by \$229,977. Thus, approval of the proposed ordinance would result in a net revenue benefit to the General Fund of \$229,977 in FY 1998-99. The proposed ordinance states that, after FY 1998-99, the City Administrator shall propose and the Board of Supervisors may adopt a new fee schedule for the Flea Market.

Recommendation:

Approval of the proposed ordinance is a policy matter for the Board of Supervisors.



CITY AND COUNTY OF SAN FRANCISCO
DEPARTMENT OF AGRICULTURE
AND
WEIGHTS AND MEASURES

David C. Frieders
Agricultural Commissioner
Director of Weights and Measures

Sid E. Baker
Assistant Agricultural Commissioner
Director of Weights and Measures

RE: FLEA MARKET REVENUES AND COSTS

FY 1997-98 Budgeted Revenues:

\$20/stall x 192 stalls x 52 days/year	\$199,680
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Proposed Fee Increase/Expansion:

Fee Increase of \$10/stall x 192 stalls x 52 days/year	\$ 99,840
--	-----------

Additional one day/week of operation (\$30/stall x 50 stalls x 52 weeks/year)	<u>\$ 78,000</u>
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Subtotal - Increase in Fee Revenues for YF 1998-99	\$177,840
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TOTAL

\$377,520

FY 1998-99 Budgeted Costs:**

Two-thirds of budgeted salaries for 2.65 FTE positions, plus overhead*	\$101,006
--	-----------

Fringe Benefits @ 22%	\$ 22,222
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Services of Other Departments - Police	\$ 15,474
--	-----------

Materials and Supplies	<u>\$ 8,841</u>
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Total FY 1998-99 Budgeted Costs - Flea Market	\$147,543
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* The 2.65 FTE consist of 1.0 FTE Market Manager, 1.0 FTE Senior Clerk Typist and one 0.65 FTE Custodian.

**The incremental cost of operating the Flea Market one extra day per week is \$8,071 (for materials and supplies). The other costs of expanding the Flea Market by one day per week are being absorbed in the Department's existing budget.



CITY AND COUNTY OF SAN FRANCISCO
DEPARTMENT OF AGRICULTURE
AND
WEIGHTS AND MEASURES

David C. Frieders
Agricultural Commissioner
Director of Weights and Measures

August 12, 1998

Harvey Rose
Board of Supervisors
Budget Analyst

Dear Harvey

The reason that I am requesting the fee adjustment for the Alemany Flea, is because the Flea Market originally started as a second farmers market and quickly grew into a flea market. Discussions between the City Attorneys office and myself determined that to continue the operation of the flea would require separate legislation allowing the fees that are currently being charged at the Alemany flea to be legal, and that a distinct separation of the two operations would be best for the operation of both markets.

If you have any questions , please don't hesitate to call.

Sincerely,

A handwritten signature in dark ink, appearing to read "David C. Frieders".

David C. Frieders
Agricultural Commissioner/
Director of Weights and Measures

Item 5 – File 98-997

- Department:** Mayor's Office of Emergency Services
Department of Emergency Communications
Department of Telecommunications and Information Services
- Item:** Ordinance amending Part 1, Chapter 7, of the San Francisco Administrative Code by amending Section 7.7 to eliminate the authority of the Director of Emergency Services to manage the City's 911 Communications Facility, and amending Chapter 2A, by adding Article XII, Section 2A.200 to create a Department of Emergency Communications, under a Director of Emergency Communications, appointed by the Mayor, to operate the City's 911 Communications Facility.
- Description:** Section 7.7 of the Administrative Code authorizes the position, defines the power, and establishes the duties of the Director of Emergency Services. Section 7.7 currently also provides that when the new E-911 Communications Facility is completed, the Director of Emergency Services shall manage the facility and direct all emergency dispatch operations. Construction of the facility is being managed by personnel assigned to the E-911 Project within the Department of Telecommunications and Information Services.
- This legislation would delete Section 7.7(b), thereby eliminating the authority of the Director of Emergency Services to manage and direct the operations of the City's E-911 Communications Facility upon completion. Instead, the proposed legislation would amend Chapter 2A by adding Article XII, Section 2A.200 to formally create a Department of Emergency Communications (ECD). The Mayor would appoint a Director of ECD who would serve as the department head for purposes of managing the construction and operation of the City's E-911 Combined Emergency Communications Center.
- During the construction phase of the City's new Combined Emergency Communications Center, known as the E-911 Project, the appointed Director of the Department of Emergency Communications would serve as the Project

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Director for the E-911 Project. The E-911 Project is designed to improve the City's emergency response capabilities by integrating the City's (1) new, permanent Enhanced Computer Aided Dispatch (CAD)/Automated Information System (AIS), (2) the 800 MHz System, (3) the data radio system, (4) the Police Department Mobile Computing System, and (5) the 911 telephone system. According to Mr. Mike Martin, whose present title is Director of Emergency Services and Project Director for the E-911 Project, the Combined Emergency Communications Center is scheduled to become operational in December of 1999.

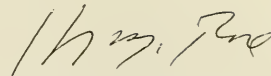
Upon completion of the Combined Emergency Communications Center (CECC), the Director of the Department of Emergency Communications would manage the operations of the CECC and all systems related to taking calls from members of the public seeking emergency police, fire, and medical assistance and related to the dispatch of emergency police, fire and medical services.

This proposed ordinance provides that all duties imposed on the Director of Emergency Communications related to operation of the CECC and the transfer of duties and staff from the Mayor's Office of Emergency Services and DTIS to the Department of Emergency Communications would be effective upon the date the Director of Emergency Communications certifies the completion of the CECC.

Comment:

Approval of this proposed ordinance would be consistent with the City's FY 1998-99 budget, previously approved by the Board of Supervisors, which established a \$53,151,018 budget for the Department of Emergency Communications (ECD), including salaries and fringe benefits for 23.59 FTEs. Approval of this proposed ordinance would not result in any additional costs to the City.

Recommendation: Approve the proposed ordinance.


Harvey M. Rose

cc: Supervisor Teng
President Kaufman
Supervisor Newsom
Supervisor Ammiano
Supervisor Bierman
Supervisor Brown
Supervisor Katz
Supervisor Leno
Supervisor Medina
Supervisor Yaki
Supervisor Yee
Clerk of the Board
Controller
Gail Feldman
Matthew Hymel
Stephen Kawa
Ted Lakey

